

# TRANSCRIPT OF RECORD.

---

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1915.

---

No. 289.

THE UNITED STATES OF AMERICA, APPELLANT,

VS.

HAMBURG-AMERIKANISCHE PACKETFAHRT ACTIEN-  
GESELLSCHAFT ET AL.

Filed November 18, 1914.

File No. 24528.

---

TERM No. 332.

HAMBURG-AMERIKANISCHE PACKETFAHRT ACTIEN-  
GESELLSCHAFT ET AL., APPELLANTS,

VS.

THE UNITED STATES OF AMERICA ET AL.

Filed January 28, 1915.

---

APPEALS FROM THE DISTRICT COURT OF THE UNITED STATES FOR  
THE SOUTHERN DISTRICT OF NEW YORK.

---

## VOLUME 13.

---

PETITIONER'S TESTIMONY.

Pages 1241-1428.

DEFENDANTS' TESTIMONY.

Pages 1428-1856.

---

In Equity.

---

---

IN THE  
SUPREME COURT OF THE UNITED STATES

---

THE UNITED STATES OF AMERICA,

*Petitioner-Appellant,*

vs.

HAMBURG-AMERIKANISCHE PACKETFAHRT-ACTIEN-  
GESELLSCHAFT, and others,

*Defendants-Appellees.*

---

---

*Petitioner's Testimony. Pages 1241-1435.*

*Defendants' Testimony. Pages 1436-1555.*

---

---

VOLUME III.



**IN THE DISTRICT COURT OF THE UNITED STATES  
FOR THE SOUTHERN DISTRICT OF NEW YORK.**

---

UNITED STATES OF AMERICA, PETITIONER,

against

HAMBURG-AMERIKANISCHE PACKET-  
FAHRT-ACTIEN-GESELLSCHAFT,  
AND OTHERS, DEFENDANTS.

---

TESTIMONY.

VOLUME III.



## Marked Petitioner's Exhibit No. 1,151.

3721

Also circular letter G. No. 308, dated Jena, December 8th, 1908, addressed, "To the Parties," beginning with the words, "I received the following telegram from Mr. Smyth," and ending with the words, "the question can be deferred for the next meeting," and signed, "H. Peters."

## Marked Petitioner's Exhibit No. 1,152.

Also circular letter G. No. 309, dated Jena, December 11th, 1908, addressed, "To the Parties," beginning with the words, "I beg to send today the Monthly Statements," and ending with the words, "The Parties will please inform me when the payments have been made or received," and signed, "H. Peters."

3722

## Marked Petitioner's Exhibit No. 1,153.

Also circular letter G. No. 314, dated Jena, December 18th, 1908, addressed, "To the Parties," beginning with the words, "The Allan Line write," and ending with the words, "for which there is at present no cause."

## Marked Petitioner's Exhibit No. 1,154.

Also circular letter G. No. 316, dated Jena, December 28th, 1908, addressed, "To the Parties," beginning with the words, "The following letter has been received from the Allan Line," and ending with the words, "established service running to different ports," and signed, "H. Peters."

3723

## Marked Petitioner's Exhibit No. 1,155.

Also circular letter G. No. 317, dated Jena, December 30th, 1908, addressed, "To the Parties," beginning with the words, "The Hamburg American Line desire," and ending with the words, "of which the enclosure is a translation."

## Marked Petitioner's Exhibit No. 1,156.

- 3724 Also, "Enclosure to G. No. 317," dated Hamburg, October 30th, 1905, addressed, "To our agents," beginning with the words, "In order to avoid displeasing polemics the steamship," and ending with the words, "we may ask the respective Lines for redress," and signed "Hamburg-American Line, Passenger Department."

Marked Petitioner's Exhibit No. 1,157.

- 3725 Also circular letter G. No. 318, dated Jena, December 31st, 1908, addressed, "To the Parties," beginning with the words, "Austro Americana's share in the east-bound business," and ending with the words, "to remit said amounts to the respective parties," and signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,158.

Also circular letter G. No. 319, dated Jena, December 31st, 1908, addressed "To the Parties," beginning with the words, "According to Minute 53 the salary of the A. C. Secretary is £2000" and ending with the words "for the Russian East Asiatic S. S. Co."

Marked Petitioner's Exhibit No. 1159.

- 3726 Also circular letter G. No. 320, dated Jena, December 31st, 1908, addressed "To the Parties," beginning with the words, "Referring to Minute 76 I promulgate the following letter," and ending with the words "of Paris Meeting 22nd October last."

Marked Petitioner's Exhibit No. 1160.

Also circular letter G. No. 321, dated Jena, December 31st, 1908, addressed "To the Parties," beginning with the words, "The following is the award of Mr. Ismay in the arbitration," and ending with the words, "compensation from the Atlantic Conference Lines" and signed, "H. Peters."

Marked Petitioner's Exhibit No. 1161.

Also circular letter G. No. 323, dated Jena, January 4th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd have sent me for circulation," and ending with the words, "and freight rate has been agreed upon." 3727

Marked Petitioner's Exhibit No. 1162.

Also circular letter G. No. 326, dated Jena, January 11th, 1909, addressed "To the Parties," beginning with the words, "The Allan Line write: 'In reply to yours of the 4th inst.,'" and ending with the words, "and that other matters can be deferred."

Marked Petitioner's Exhibit No. 1163.

Also circular letter G. No. 334, dated Jena, January 19th, 1909, addressed, "To the Parties," beginning with the words, "The N. D. Lloyd submit for distribution amongst the parties," and ending with the words, "I shall be glad to get them without delay." 3728

Marked Petitioner's Exhibit No. 1164.

Also circular letter G. No. 339, dated Jena, January 25th, 1909, addressed, "To the Parties," and reads as follows: "Enclosed I beg to hand the Agenda of the next meeting which is to take place at Paris Hotel Meurice on the 3rd February at 10 A. M."

Marked Petitioner's Exhibit No. 1165.

Also letter addressed, "H. Peters, Esq., Secretary, Atlantic Conference, Jena," dated February 9th, 1909, beginning with the words, "Enclosed we beg to hand you our cheque value £602.00," and ending with the words, "Circular letter G. 341 of the 26th ulto." 3729

Marked Petitioner's Exhibit No. 1166.

Also circular letter G. No. 341, dated Jena, January 26th, 1909, addressed, "To the Parties," beginning with the words, "The Parties are informed that the Russian East Asiatic S. S. Co.," ending with the

1  
2  
4  
3



- 3730 words, "the amounts to a bank in Copenhagen," and signed, "H. Peters."

Marked Petitioner's Exhibit No. 1167.

Also circular letter G. No. 344, dated Jena, February 2nd, 1909, addressed, "To the Parties," beginning with the words, "The Russia America Line write: 'G. No. 332. Observing that the Atlantic Express.'" and ending with the words, "the Lines propose to be taken."

Marked Petitioner's Exhibit No. 1168.

- 3731 Also paper dated Jena, January 27th, 1909, entitled, "Atlantic Conference Agenda of the meeting in Paris," beginning with the words, "1) Italian Business," and ending with the words, "16) French Line's headtax on Italians and Orientals. (British Lines).

Marked Petitioner's Exhibit No. 1169.

Also circular letter G. No. 345, dated Jena, February 4th, 1909, addressed, "To the Parties," beginning with the words, "Mr. Ballin sends me for promulgation the following letter," and ending with the words, "I am, Dear Sir Yours faithfully."

Marked Petitioner's Exhibit No. 1170.

- 3732 Also circular letter G. No. 347, dated Jena, February 12th, 1909, addressed, "To the Parties," beginning with the words, "I beg to send today the Monthly Statements for January," and ending with the words, "of the Continental Lines as soon as received."

Marked Petitioner's Exhibit No. 1171.

Also circular letter G. No. 350, dated Jena, February 13th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd write: 'Referring to circular letter G. No. 340,' and ending with the words, 'for discussion at the next meeting.'"

## Marked Petitioner's Exhibit No. 1172.

3733

Also circular letter G. No. 351, dated Jena, February 13th, 1909, addressed "To the Parties," beginning with the words, "I received yesterday from Mr. Sandford the following cable," and ending with the words, "Hellium, Tithanium, Volturmo, Avoca."

## Marked Petitioner's Exhibit No. 1173.

Also circular letter G. No. 352, dated Jena, February 15th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line request me to promulgate their following letter," and ending with the words, "have already complained are informed."

## Marked Petitioner's Exhibit No. 1174.

3734

Also circular letter G. No. 355, dated Jena, February 16th, 1909, addressed, "To the Parties," beginning with the words, "The Holland America Line sent the following wire," and ending with the words, "100 were in destination for Halifax."

## Marked Petitioner's Exhibit No. 1175.

Also circular letter G. No. 356, dated Jena, February 17th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line send me the following report of arrivals," and ending with the words, "on the berth to meet this opposition."

3735

## Marked Petitioner's Exhibit No. 1176.

Also circular letter G. No. 357, dated Jena, February 18th, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line send me for promulgation," and ending with the words, "of the British Lines in this respect is."

## Marked Petitioner's Exhibit No. 1177.

Also copy of letter annexed to G. No. 357, dated "57, Leadenhall Street, London, February 9th, 1909," beginning with the words, "I have had an interview

- 3736** with one of Mr. Petersen's passenger agents," and ending with the words, "not been able to ascertain her name."

Marked Petitioner's Exhibit No. 1178.

Also circular letter G. No. 358, dated Jena, February 18th, 1909, addressed, "To the Parties," beginning with the words, "Amongst the passengers embarked at Rotterdam by the "Volturno," and ending with the words, "these passengers pass their doors."

Marked Petitioner's Exhibit No. 1179.

- 3737** Also circular letter G. No. 359, dated Jena, February 19th, 1909, addressed, "To the Parties," beginning with the words, "With reference to the question of making Byelaw 22," and ending with the words, "by S. S. 'San Domingo ex Raglan-Castle.'"

Marked Petitioner's Exhibit No. 1180.

Also circular letter G. No. 361, dated Jena, February 20th, 1909, addressed, "To the Parties," beginning with the words, "With reference to circular letter G. No. 353," and ending with the words, "declaration from the other Lines concerned."

Marked Petitioner's Exhibit No. 1181.

- 3738** Also circular letter G. No. 362, dated Jena, February 22nd, 1909, addressed, "To the Parties," beginning with the words, "The rumor mentioned in the Hapag telegram G. No. 359," and ending with the words, "All of which are to be embarked at Rotterdam."

Marked Petitioner's Exhibit No. 1182.

Also circular letter G. No. 364, dated Jena, February 25th, 1909, addressed, "To the Parties," beginning with the words, "Referring to G. No. 361 the Hamburg American Line," and ending with the words, "I am sorry I have it not on hand," and signed, "H. Peters."

## Marked Petitioner's Exhibit No. 1183.

3739

Also circular letter G. No. 367, dated Jena, February 27th, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line reported on 20th inst.," and ending with the words, "I have applied on the subject."

## Marked Petitioner's Exhibit No. 1184.

Also circular letter G. No. 368, dated Jena, February 27th, 1909, addressed, "To the Parties," beginning with the words, "We have received a communication from our New York office," ending with the words, "Amerika of the Hamburg American Line," and signed, "H. Peters."

3740

## Marked Petitioner's Exhibit No. 1185.

Also circular letter G. No. 369, dated Jena, February 27th, 1909, addressed, "To the Parties," beginning with the words, "Hapag send me for promulgation the following letter," and ending with the words, "the Thames and South African ports."

## Marked Petitioner's Exhibit No. 1186.

Also circular letter G. No. 370, dated Jena, March 1st, 1909, addressed, "To the Parties," beginning with the words, "The Russian Eastasiatic Co. write in reply to my enquiry," and ending with the words, "we will let you know immediately."

3741

## Marked Petitioner's Exhibit No. 1187.

Also circular letter G. No. 371, dated Jena, March 1st, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line send me for promulgation the following itinerary," and ending with the words, "by Atlantic Express Glashaven 30."

## Marked Petitioner's Exhibit No. 1188.

Also circular letter G. No. 372, dated Jena, March 1st, 1909, addressed, "To the Parties," beginning with

- 3742 the words, "For this Line have arrived according to the Red Star Line," and ending with the words, "the Universal Reisebureau (Onciul) Vienna."

Marked Petitioner's Exhibit No. 1189.

Also circular letter G. No. 373, dated Jena, March 2nd, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line write: 'We have the following news,'" and ending with the words, "3 second class and 13 steerage passengers."

Marked Petitioner's Exhibit No. 1190.

- 3743 Also circular letter G. No. 374, dated Jena, March 5th, 1909, addressed, "To the Parties," beginning with the words, "The Canadian Pacific Ry. write: 'Referring to your Circulars,'" and ending with the words, "with regard to G. No. 361."

Marked Petitioner's Exhibit No. 1191.

Also circular letter G. No. 375, dated Jena, March 5th, 1909, addressed, "To the Parties," beginning with the words, "As advised the Raglan Castle of the North West Transport Line," and ending with the words, "of bunkercoats and took in provisions."

Marked Petitioner's Exhibit No. 1192.

- 3744 Also circular letter G. No. 376, dated Jena, March 5th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd write: 'With reference to circular letter,'" and ending with the words, "said agencies are disqualified at once."

Marked Petitioner's Exhibit No. 1193.

Also circular letter G. No. 377, dated Jena, March 8th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line have sent me copy of their correspondence with the White Star Line," and ending with the words, "the correspondence with the Allan Line in a few days."



Marked Petitioner's Exhibit No. 1194.

3745

Also circular letter G. No. 378, dated Jena, March 8th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line in accordance with Minute 78," and ending with the words, "I beg to ask the parties whether they agree to it."

Marked Petitioner's Exhibit No. 1195.

Also circular letter G. No. 380, dated Jena, March 8th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report that there arrived at Antwerp," and ending with the words, "forty passengers were sent back to Russia."

Marked Petitioner's Exhibit No. 1196.

3746

Also circular letter G. No. 381, dated Jena, March 9th, 1909, addressed, "To the Parties," beginning with the words, "According to Form 35, No. 2 I beg the Parties to make the following payments," and ending with the words, "The Parties will please remit me the amounts in due time." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1197.

Also circular letter G. No. 382, dated Jena, March 11th, 1909, addressed, "To the Parties," beginning with the words, "Enclosed I beg to hand a copy of the account of the expense of the Secretary's Office for 1908," and ending with the words, "I shall be obliged for remittance of the amount due by the individual lines."

3747

Marked Petitioner's Exhibit No. 1198.

Also circular letter G. No. 384. Dated Jena, March 13th, 1909, addressed, "To the Parties," beginning with the words, "Enclosed I beg to hand the Agenda of the meeting in Paris, Hotel Meurice, on the 25th instant." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1199.

- 3748 Also Atlantic Conference Agenda of the Meeting in Paris, Hotel Meurice on 25th March, 1909, at 10 A. M. to G. No. 384. Dated Jena, 13th March, 1909.

Marked Petitioner's Exhibit No. 1,200.

Also Atlantic Conference Supplement to the Agenda of the Meeting in Paris, 25th March, 1909, dated Jena, March 20th, 1909.

Marked Petitioner's Exhibit No. 1,201.

- 3749 Also circular letter G. No. 385. Dated Jena, March 13th, 1909, addressed, "To the Parties," beginning with the words, "Red Star Line report that on March 9th," and ending with the words, "that heavy expenses will be incurred for board and lodging."

Marked Petitioner's Exhibit No. 1,202.

Also circular letter G. No. 387. Dated Jena, March 15th, 1909, addressed, "To the Parties," beginning with the words, "The Raglan Castle's, March 2nd from Rotterdam passengers were composed as follows." and ending with the words, "when they proceeded by tug to Rotterdam and further by rail. 'Volturno' proceeded 12th for Hamburg."

Marked Petitioner's Exhibit No. 1,203.

- 3750 Also circular letter G. No. 388. Dated Jena, March 16th, 1909, addressed, "To the Parties," beginning with the words, "The reports that the Russian Volunteer Fleet are contemplating to resume their service," and ending with the words, "At the request of Director General Mr. Ballin I note the matter for the Agenda of the meeting."

Marked Petitioner's Exhibit No. 1,204.

Also circular letter G. No. 390. Dated Jena, March 17th, 1909, addressed, "To the Parties," beginning with the words, "In pursuance of previous returns the Red Star Line report the following passengers having

passed Antwerp," and ending with the words, "For particulars about freight, etc., apply to the Agents." 3751

Marked Petitioner's Exhibit No. 1,205.

Also circular letter G. No. 393. Dated Jena, March 19th, 1909, addressed, "To the Parties," beginning with the words, "We are also obliged for the Agenda for the Meeting which has since come to hand," and ending with the words, "our arrangements to leave Paris by the morning train in the 26th *idem*."

Marked Petitioner's Exhibit No. 1,206.

Also circular letter G. No. 394. Dated Jena, March 20th, 1909, addressed, "To the Parties," beginning with the words, "The following transports of passengers from the Universal Reisebureau, Vienna have arrived," and ending with the words, "departure of the North West Transport Line according to the reports communicated is." 3752

Marked Petitioner's Exhibit No. 1,207.

Also circular letter G. No. 395. Dated Jena, March 20th, 1909, addressed, "To the Parties," reading, "Enclosed please find the additional agenda for the Paris meeting." Signed "H. Peters."

Marked Petitioner's Exhibit No. 1,208.

Also "Supplement" to the Agenda of the Meeting in Paris, 25th March, 1909, dated Jena, March 20th, 1909. Commencing with the figures and words "(19) Russian Volunteer" and ending with the words and figures, "System. (G. No. 392)." 3753

Marked Petitioner's Exhibit No. 1,209.

Also circular letter G. No. 397, dated Jena, March 22nd, 1909, addressed "To the Parties," beginning with the words, "Following further transports from," and ending with the words and figures, "and 749 steeragers."

3754

Marked Petitioner's Exhibit No. 1,210.

Also circular letter G. No. 398, dated Jena, March 23rd, 1909, addressed "To the Parties," beginning with the words, "The Cunard Line write under date March 20th," and ending with the words, "The matter is placed on the Agenda."

Marked Petitioner's Exhibit No. 1,211.

Also circular letter G. No. 399, dated Jena, March 25th, 1909, addressed "To the Parties," beginning with the words, "From Secretary Sandford I received," and ending with the words, "date March 22nd as follows \* \* \* something can be done according to your views."

3755

Marked Petitioner's Exhibit No. 1,212.

Also circular letter G. No. 400, dated Jena, March 29th, 1909, addressed, "To the Parties," beginning with the words, "Following transports from the Universal," and ending with the words, "transports therefore will be forwarded by S. S. 'Uranium' leaving Rotterdam, April 3rd."

Marked Petitioner's Exhibit No. 1,213.

3756

Also circular letter G. No. 402. Dated Jena, March 31st, 1909, addressed "To the Parties," beginning with the words, "Following further transports from the Universal Reisebureau," and ending with the words, "I have informed Mr. Sandford that the committee as per Byelaw 22 is to be revived." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,214.

Also circular letter G. No. 403. Dated Jena, April 1st, 1909, addressed, "To the Parties," beginning with the words, "In G. No. 387 the number of steeragers embarked at Rotterdam for the," and ending with the words, "Of the 64 passengers from England 6 come from London and 58 from Liverpool."

## Marked Petitioner's Exhibit No. 1,215.

3757

Also circular letter G. No. 405. Dated Jena, April 2nd, 1909, addressed, "To the Parties," beginning with the words, "The Parties are aware that at the Paris Meeting the Cunard Line agreed to an advance of Mediterranean steerage rates," and ending with the words, "whilst \$3 increase on all continental steeragers would mean quite a lot money."

## Marked Petitioner's Exhibit No. 1,216.

Also circular letter G. No. 407. Dated Jena, April 5th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report on April 1st," and ending with the words, "and of which 53 have been held up."

3758

## Marked Petitioner's Exhibit No. 1,217.

Also circular letter G. No. 408. Dated Jena, April 7th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report that on April 2nd," and ending with the words, "38 passengers from the Universal-Reisebureau which passed Antwerp April 4th, are no doubt for the 'Raglan Castle', April 17th."

## Marked Petitioner's Exhibit No. 1,218.

Also circular letter G. No. 409. Dated Jena, April 8th, 1909, addressed, "To the Parties," beginning with the words, "I received the following letter from Lloyd," and ending with the words, "Oriental business instead of making a general reduction on their rates."

3759

## Marked Petitioner's Exhibit No. 1,219.

Also circular letter G. No. 411. Dated Jena, April 8th, 1909, addressed, "To the Parties," beginning with the words, "My attention is drawn to the year 1911 not being clearly impressed on the second line of Art. 25 of Agreement BB. Will the Parties please make a note in their copies."



3760

Marked Petitioner's Exhibit No. 1,220.

Also circular letter G. No. 412. Dated Jena, April 10th, 1909, addressed "To the Parties," beginning with the words, "According to Form 35 No. 3 the following payments are to be made for the month of March," and ending with the words "The Russian East Asiatic Co. will please send their checks to me."

Marked Petitioner's Exhibit No. 1,221.

Also circular letter G. No. 415. Dated Jena, April 13th, 1909, addressed, "To the Parties," beginning with the words, "S. S. 'Voluturno' left New York Saturday April 10th with 40 steeragers."

3761

Marked Petitioner's Exhibit No. 1,222.

Also circular letter G. No. 416. Dated Jena, April 14th, 1909, addressed, "To the Parties," beginning with the words, "I beg to submit the following correspondence," and ending with the words, "I think it obvious that the passengers have to be pooled." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,223.

Also circular letter G. No. 417. Dated Jena, April 15th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report the following further passenger transports for the Atlantic Express."

3762

Marked Petitioner's Exhibit No. 1,224.

Also circular letter G. No. 418. Dated Jena, April 15th, 1909, addressed, "To the Parties," beginning with the words "By G. 409 the Parties are informed that the White Star Line made a rate of £5 off Cherbourg," and ending with the words "please let me know their position with regard to the motion of the Hamburg-American Line."

Marked Petitioner's Exhibit No. 1,225.

Also circular letter G. No. 419. Dated Jena, April 19th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report the following further passenger transports for the Atlantic Express," and ending with the words, "left Rotterdam April 17th, and with how many steeragers." 3763

Marked Petitioner's Exhibit No. 1,226.

Also circular letter G. No. 420. Dated Jena, April 20th, 1909, addressed, "To the Parties," beginning with the words, "White Star, referring to G. No. 409 write," and ending with the words, "they think they will be able to make up their minus without any such reduction."

3764

Marked Petitioner's Exhibit No. 1,227.

Also circular letter G. No. 421. Dated Jena, April 20th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd write," and ending with the words, "and not allowing them to pass into the hands of the people who have not directly to deal with them."

Marked Petitioner's Exhibit No. 1,228.

Also circular letter G. No. 422. Dated Jena, April 20th, 1909, addressed, "To the Parties," beginning with the words, "I informed the parties that S. S. 'Raglan Castle' left Rotterdam on Monday April 19th," and ending with the words, "it is to be supposed that the rest of 53 1/2 steeragers were booked in England." 3765

Marked Petitioner's Exhibit No. 1,229.

Also circular letter G. No. 423. Dated Jena, April 23rd, 1909, addressed, "To the Parties," beginning with the words, "As stated in byelaw 122 a general advance in the II Cabin rates was proposed by the British Lines," and ending with the words, "take the matter up by correspondence but so far have not done so."

3766

## Marked Petitioner's Exhibit No. 1,230.

Also circular letter G. No. 425. Dated Jena, April 24th, 1909, addressed, "To the Parties," beginning with the words, "In accordance with Minute 115 I beg to send some copies of statistics of passengers," and ending with the words, "have received the corrected figures from Mr. Sandford."

## Marked Petitioner's Exhibit No. 1,231.

3767

Also circular letter G. No. 426. Dated Jena, April 26th, 1909, addressed, "To the Parties," beginning with the words, "The 274 steeragers reported in G. No. 422 which sailed with S. S. 'Raglan Castle' April 19th from Rotterdam," and ending with the words, "The tug landed the steeragers at the station of Rotterdam."

## Marked Petitioner's Exhibit No. 1,232.

Also circular letter G. No. 427. Dated Jena, April 26th, 1909, addressed, "To the Parties," beginning with the words, "On this point the following letters have been received from the," and ending with the words, "they will have to bring their claim to arbitration."

## Marked Petitioner's Exhibit No. 1,233.

3768

Also circular letter G. No. 428. Dated Jena, April 26th, 1909, addressed, "To the Parties," beginning with the words, "Mr. Sandford writes," and ending with the words, "until further developments may indicate that protective steps are justified."

## Marked Petitioner's Exhibit No. 1,234.

Also circular letter G. No. 429. Dated Jena, April 28th, 1909, addressed, "To the Parties," beginning with the words, "As to the proposed advance in II cabin rates I beg to rectify circular letter G. No. 425," and ending with the words, "and that this proposition was made by the Continental Lines."

Marked Petitioner's Exhibit No. 1,235.

3769

Also circular letter G. No. 430. Dated Jena, April 29th, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. No. 423 the Allan Line write," and ending with the words, "make any progress by corresponding with the Cie. Gle. Transatlantique."

Marked Petitioner's Exhibit No. 1,236.

Also circular letter G. No. 431. Dated Jena, April 29th, 1909, addressed, "To the Parties," beginning with the words, "In the statistics of II cabin passengers I regret to say have occurred several errors," and ending with the words, "destroy the sheets showing said years and to substitute them by the enclosed ones."

3770

Marked Petitioner's Exhibit No. 1,237.

Also circular letter G. No. 432. Dated Jena, April 30th, 1909, addressed, "To the Parties," beginning with the words, "I beg to promulgate the following statement of the," and ending with the words, "give their replies to the above statement in two copies one for Mr. Wilding and one for me to Smyth."

Marked Petitioner's Exhibit No. 1,238.

Also carbon copy of letter. Dated May 10th, 1909, addressed, "The Secretary, North Atlantic Passenger Conference, James Street, Liverpool." beginning with the words, "Referring to Secretary Peters' letter of the 30th ultimo," and ending with the words, "for British business to. . . . . £10.10.0."

3771

Marked Petitioner's Exhibit No. 1,239.

Also circular letter G. No. 434. Dated Jena, May 1st, 1909, addressed, "To the Parties," beginning with the words, "As next week I have to go to London for a meeting," and ending with the words, "I shall inform in due time the different Lines when I expect to call on them."

3772

Marked Petitioner's Exhibit No. 1,240.

Also circular letter G. No. 435. Dated Jena, May 3rd, 1909, addressed, "To the Parties," beginning with the words, "The Holland American Line sent me an advertisement in a Dutch paper," and ending with the words, "and we for our part consider that it is a phrase which should be barred."

Marked Petitioner's Exhibit No. 1,241.

3773

Also circular letter G. No. 436. Dated Jena, May 4th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report the following passengers for the North West Transport Line," and ending with the words, "so that 149 steer-agers must have come from elsewhere."

Marked Petitioner's Exhibit 1,242.

Also circular letter G. No. 437. Dated Jena, May 6th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line write," and ending with the words, "and so preserve the existing differentials."

Marked Petitioner's Exhibit 1,243.

3774

Also circular letter G. No. 438. Dated Jena, May 6th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line and simultaneously the White Star Line send me the following copy of a letter," and ending with the words, "I reserve the question of costs until the Arbitration shall have been contemplated." Signed "R. B. Finlay."

Marked Petitioner's Exhibit No. 1,244.

Also circular letter G. No. 439. Dated Jena, May 6th, 1909, addressed, "To the Parties," beginning with the words, "I received the following information of April 27th from Mr. Sandford," and ending with the words, "amply proves that their report was conservative and justified."



## Marked Petitioner's Exhibit No. 1,245.

3775

Also circular letter G. No. 440. Dated Jena, May 11th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line write," and ending with the words, "which necessarily imply comparison unfavorable to competing Lines in Conference."

## Marked Petitioner's Exhibit No. 1,246.

Also circular letter G. No. 441. Dated Jena, May 11th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line advise the following arrivals of passengers for the North West Transport Line," and ending with the words, "the 'Uranium' is advertised to leave Rotterdam on the 15th instant."

3776

## Marked Petitioner's Exhibit No. 1,247.

Also circular letter G. No. 442. Dated Jena, May 11th, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. No. 430 the White Star Dominion Canadian service write," and ending with the words, "and plus the cost of transportation Paris to the Continental port."

## Marked Petitioner's Exhibit No. 1,248.

Also circular letter G. No. 443. Dated Jena, May 11th, 1909, addressed, "To the Parties," beginning with the words, "Referring to the monthly statements and the summary statement for April 1," and ending with the words, "The Cunard Line and White Star Line will kindly send their checks for the Continental Lines to me." Signed, "H. Peters."

3777

## Marked Petitioner's Exhibit No. 1,249.

Also circular letter G. No. 445. Dated Jena, May 12th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd write," and ending with the words, "I send Mr. Wilding a copy of this letter."

3778

Marked Petitioner's Exhibit No. 1,250.

Also circular letter G. No. 446. Dated Jena, May 12th, 1909, addressed, "To the Parties," beginning with the words, "The N. D. Lloyd inform me that according to informations he has got of late the North West Transport Line," and ending with the words, "The railroad fare Belgrade-Basle is 28 Francs."

Marked Petitioner's Exhibit No. 1,251.

3779

Also circular letter. Dated Jena, May 13th, 1909, addressed, "To Hamburg-American Line, Holland-America Line, Norddeutscher Lloyd, Red Star Line, Cie. Gle. Transatlantique, Cunard Line, White Star Line, Anchor Line," reads as follows: "Enclosed I beg to hand printed copies of the Agreement of May 7th, 1909, between the Cunard Line and the Continental Lines."

Marked Petitioner's Exhibit No. 1,252.

3780

Also circular letter G. No. 448. Dated Jena, May 13th, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. No. 433, the Russian American Line inform me that they will hardly be able to arrange their eastbound sailings," and ending with the words, "their steamers had to leave New York on Wednesday."

Marked Petitioner's Exhibit No. 1,253.

Also circular letter G. No. 449. Dated Jena, May 15th, 1909, addressed, "To the Parties," beginning with the words, "The White Star Line request me to put on the Agenda of the next A. C. Meeting," and ending with the words, "they are not to be considered as alterations to the main agreement unless expressly so stated."

Marked Petitioner's Exhibit No. 1,254.

Also circular letter G. No. 450. Dated Jena, May 15th, 1909, addressed, "To the Parties," beginning with the words, "The Cie Gle. Transatlantique write," and ending with the words, "whether they agree to disqualify the agent Ivan Buchel at Buchs." 3781

Marked Petitioner's Exhibit No. 1,255.

Also Appendix to G. No. 450. Beginning with the words, "For the information of the Croation travellers who want to go to America," and ending with the words, "Some friends to the Croation travellers abroad and in foreign countries."

Marked Petitioner's Exhibit No. 1,256.

Also translation of letter G. No. 450. Dated Jena, May 15th, addressed, "Agent Büchel in Buchs (Switzerland)," beginning with the words, "The French Line write," and ending with the words, "Will the lines please inform me, whether they agree to disqualify the agent Ivan Buchel at Buchs." 3782

Marked Petitioner's Exhibit No. 1,257.

Also circular letter G. No. 451. Dated Jena, May 15th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line write," and ending with the words, "Atlantic Conference matters which have nothing whatever to do with passenger business." 3783

Marked Petitioner's Exhibit No. 1,258.

Also circular letter G. No. 453. Dated Jena, May 19th, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. No. 435, the Hamburg-American Line write," and ending with the words, "which will no doubt interest the parties."

Marked Petitioner's Exhibit No. 1,259.

Also circular letter G. No. 454. Dated Jena, May 19th, 1909, addressed, "To the Parties," beginning

- 3784 with the words, "I received several communications," and ending with the words, "this privilege must apply to all lines equally."

Marked Petitioner's Exhibit No. 1,260.

Circular letter G. No. 455. Dated Jena, May 21st, 1909, addressed, "To the Parties," reads as follows: "Of the passengers S. S. 'Uranium' from Rotterdam May 15th were."

Marked Petitioner's Exhibit No. 1,261.

- 3785 Also circular letter G. No. 11. Dated Jena den 10 Marz 1908, addressed "To the Parties," beginning with the words, "In Art. 3 of the contract there are named under 4, 5, 6, 7," and ending with the words, "their individual shares in the westbound and east-bound steerage business."

Marked Petitioner's Exhibit 1,262.

Also circular letter G. No. 14. Dated Jena, March 13th, 1908, addressed, "To the Parties," beginning with the words, "With regard to the contract of the Atlantic Conference some amendments have been proposed," and ending with the words, "8. I. M. M. Co. White Star Line, American Line, Dominion Line."

Marked Petitioner's Exhibit 1,263.

- 3786 Also circular letter G. No. 16. Dated Jena, March 16th, 1908, addressed, "To the Parties," beginning with the words, "There being a number of distinctly separate companies included in the N. D. L. V. Lines," and ending with the words, "to show the individual shares of the N. D. L. V. Lines as in the contract one percentage only is provided for them also."

Marked Petitioner's Exhibit 1,264.

Also circular letter G. No. 23. Dated Jena, March 24th, 1908, addressed, "To the Parties," beginning with the words, "All parties have agreed Hapag to

meet Volturmo competition," and ending with the words, "which is hereby confirmed." 3787

Marked Petitioner's Exhibit No. 1,265.

Also circular letter G. No. 26. Dated Jena, March 30th, 1908, addressed, "To the Parties," beginning with the words, "As in each of the eastbound and westbound statistics returns received up to date," and ending with the words "to meet the wishes of the other lines."

Marked Petitioner's Exhibit No. 1,266.

Also circular letter G. No. 29. Dated Jena, April 1st, 1908, addressed, "To the Parties," beginning with the words, "On 30th ultimo I wired that after a general advance in eastbound continental rates had been agreed their compensation of seven dollars must be increased to eleven dollars," and ending with the words, "and it rests therefore with Hapag if they will continue the \$23 rate or not." 3788

Marked Petitioner's Exhibit No. 1,267.

Also circular letter G. No. 35. Dated Jena, April 6th, 1908, addressed, "To the Parties," beginning with the words, "Referring to your circular letter G. No. 26 of the 30th ultimo," and ending with the words, "and without prejudice of the position of each party in the eastbound pool." 3789

Marked Petitioner's Exhibit No. 1,268.

Also circular letter G. No. 38. Dated Jena, April 8th, 1908, addressed, "To the Parties," beginning with the words, "Johnson, General Agent, East Asiatic, issued circulars," and ending with the words, "will always find it to their interest to attract and to encourage competition."

Marked Petitioner's Exhibit No. 1,269.

Also circular letter G. No. 50. Dated Jena, April 23rd, 1908, addressed, "To the Parties," beginning

- 3790 with the words, "The Hamburg American Line send me a circular of A. E. Johnson Co." and ending with the words, "able to control agents or general agents either in Europe or in the United States?"

Marked Petitioner's Exhibit No. 1,270.

Also circular letter G. No. 54. Dated Jena, April 25th, 1908, addressed, "To the Parties," beginning with the words, "Referring to G. No. 50 Lloyd's send me a joint circular," and ending with the words, "time might be too short." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,271.

- 3791 Also circular letter G. No. 58. Dated Jena, April 28th, 1908, addressed, "To the Parties," beginning with the words, "By bookpost registered I beg to send 3 copies," and ending with the words, "I shall have the Agreements Y, Z and AA with appendixes bound in one."

Marked Petitioner's Exhibit No. 1,272.

Also circular letter G. No. 60. Dated Jena, April 30th, 1908, addressed, "To the Parties," beginning with the words, "The Hamburg American Line write me a letter of which the," and ending with the words, "Libau will now be lost to the Russian Lines."

- 3792 Marked Petitioner's Exhibit No. 1,273.

Also circular letter G. No. 63. Dated Jena, May 2nd, 1908, addressed, "To the Parties," beginning with the words, "Referring to the monthly statement," and ending with the words "the average per sailing for 1908, shall not exceed 100."

Marked Petitioner's Exhibit No. 1,274.

Also circular letter G. No. 65. Dated Jena, May 4th, 1908, addressed, "To the Parties," beginning with the words, "The secretary of the N. A. P. C. writes," and ending with the words, "I have to be guided by the contract."

## Marked Petitioner's Exhibit No. 1,275.

3793

Also circular letter G. No. 68. Dated Jena, May 5th, 1908, addressed, "To the Parties," beginning with the words, "For the information of the Continental Lines," and ending with the words, "which I passed on to the parties."

## Marked Petitioner's Exhibit No. 1,276.

Also circular letter G. No. 74. Dated Jena, May 7th, 1908, addressed, "To the Parties," beginning with the words, "The following views on the point raised by the Allan Line in G. No. 63," and ending with the words, "as the questions are not of such vital importance."

3794

## Marked Petitioner's Exhibit No 1,277.

Also circular letter G. No. 77, dated Jena, May 9th, 1908, addressed, "To the Parties," beginning with the words, "Today I beg to send the monthly statements for April," and ending with the words, "when the payments have been made or received."

## Marked Petitioner's Exhibit No. 1,278.

Also circular letter G. No. 79, dated Jena, May 9th, 1908, addressed, "To the Parties," beginning with the words, "Hapag wired that according to more precise information," and ending with the words, "25 passengers had to be transferred to the Jelunga."

3795

## Marked Petitioner's Exhibit No. 1,279.

Also circular letter G. No. 81, dated Jena, May 11th, 1908, addressed, "To the Parties," beginning with the words, "I beg to lay before the parties the following correspondence," and ending with the words, "Austro has a few days ago reduced their eastbound Italian rate to \$10."

## Marked Petitioner's Exhibit No. 1,280.



- 3796 Also circular letter G. No. 87, dated Jena, May 13th, 1908, addressed, "To the Parties," beginning with the words, "In the account between Atlantic Conference and Canadian Lines," and ending with the words, "when the payments have been made or received."

Marked Petitioner's Exhibit No. 1,281.

Also circular letter G. No. 97, dated Jena, May 16th, 1908, addressed, "To the Parties," beginning with the words, "The numbers of emigrants by 'San Giovanni,' " and ending with the words, "Austro not being member agreement cannot be entertained."

- 3797 Marked Petitioner's Exhibit No. 1,282.

Also circular letter G. No. 101, dated Jena, May 19th, 1908, addressed, "To the Parties," beginning with the words, "I informed the parties that the next meeting of the members," and ending with the words, "which I would submit for consideration."

Marked Petitioner's Exhibit No. 1,283.

- 3798 Also circular letter Atlantic Conference, subjects to be dealt with at the Meeting in London, 25th of May, 1908, Savoy Hotel at 10 A. M., beginning with the words, "(1) Compensation for fighting the New York Continental Line," and ending with the words, "(12) and commission for such passengers."

Marked Petitioner's Exhibit No. 1,284.

Also circular letter G. No. 115, dated Jena, May 29th, 1908, addressed, "To the Parties," beginning with the words, "I repeat here the following cable correspondence with Secretary Sandford," and ending with the words, "Eventually arbitration will have to decide."

Marked Petitioner's Exhibit No. 1,285.

Also circular letter G. No. 125, dated Jena, June 4th, 1908, addressed, "To the Parties," beginning with the words, "The Holland-American Line inform me that their steamer 'Nieuw Amsterdam,' " and ending with the words, "Petersburg got 950 steeragers." 3799

Marked Petitioner's Exhibit No. 1,286.

Also circular letter G. No. 127, dated Jena, June 4th, 1908, addressed, "To the Parties," beginning with the words, "Lloyd received from New York following cable," and ending with the words, "Pool agreements urgently needed."

Marked Petitioner's Exhibit No. 1,287.

Also circular letter G. No. 130, dated Jena, June 6th, 1908, addressed, "To the Parties," beginning with the words, "From Mr. Sandford I received a copy of his following circular letter," and ending with the words, "will not henceforth circularize them on my part." 3800

Marked Petitioner's Exhibit No. 1,288.

Also circular letter G. No. 140, dated Jena, June 11th, 1908, addressed, "To the Parties," beginning with the words, "I send today the Monthly Statements for May," and ending with the words, "when the payments have been made or received."

Marked Petitioner's Exhibit No. 1,289.

3801

Also circular letter G. No. 165, dated Jena, June 22nd, 1908, addressed, "To the Parties," beginning with the words, "The Hamburg America Line write," and ending with the words, "Requesting the favor of a reply by return."

Marked Petitioner's Exhibit No. 1,290.

Also circular letter G. No. 180, dated Jena, July 1st, 1908, addressed, "To the Parties," beginning with the words, "I herewith beg to send a number of copies of

- 3802 the London Agreements," and ending with the words, "so far as they are still to be recorded."

Marked Petitioner's Exhibit No. 1,291.

Also circular letter G. No. 181, dated Jena, July 1st, 1908, addressed, "To the Parties," beginning with the words, "Lloyd request me to ask the Parties," and ending with the words, "received proof copies through Mr. Smyth."

Marked Petitioner's Exhibit No. 1,292.

- 3803 Also circular letter G. No. 190, dated Jena, July 7th, 1908, addressed, "To the Parties," beginning with the words, "I informed the Lines specially interested in Mediterranean business," and ending with the words, "I beg to ask for instructions if they are to be invited too."

Marked Petitioner's Exhibit No. 1,293.

Also circular letter G. No. 193, dated Jena, July 9th, 1908, addressed, "To the Parties," beginning with the words, "Today I send the Monthly Statements for the month of June," and ending with the words, "when the payments have been made or received."

Marked Petitioner's Exhibit No. 1,294.

- 3804 Also circular letter G. No. 213, dated Jena, July 24th, 1908, addressed, "To the Parties," beginning with the words, "I beg to confirm what the Parties are already informed," and ending with the words, "of the gentlemen who may be expected to be present."

Marked Petitioner's Exhibit No. 1,295.

Also circular letter G. No. 216, dated Jena, July 27th, 1908, addressed, "To the Parties," beginning with the words, "With reference to this point so far the following Lines," and ending with the words, "in case the Parties might wish to discuss it further." Signed "H. Peters."

Marked Petitioner's Exhibit No. 1,296.

3805

Also circular letter G. No. 217, dated Jena, July 29th, 1908, addressed, "To the Parties," beginning with the words, "Since the beginning of the pool the Scandinavian," and ending with the words, "which it can give, if judiciously treated."

Marked Petitioner's Exhibit No. 1,297.

Also circular letter G. No. 228, dated Jena, August 13th, 1908, addressed, "To the Parties," beginning with the words, "On the annexed sheets I beg to give a statement," and ending with the words, "that they have been found correct."

Marked Petitioner's Exhibit No. 1,298.

3806

Also circular letter Annex to G. No. 228, 13/8,/08, beginning with the words, "The westbound percentages being agreed," and ending with the words, "The final eastbound percentages remain therefore unaltered."

Marked Petitioner's Exhibit No. 1,299.

Also circular letter G. No. 252, dated Jena, Sept. 10th, 1908, addressed, "To the Parties," beginning with the words, "Yesterday Mr. V. Benislavski was here," and ending with the words, "I shall communicate with the R. E. Co."

Marked Petitioner's Exhibit No. 1,300.

3807

Also circular letter G. No. 253, dated Jena, Sept. 11th, 1908, addressed, "To the Parties," beginning with the words, "Today I send the Monthly Statements for August," and ending with the words, "the respective Lines will please send their check to me."

Marked Petitioner's Exhibit No. 1,301.

Also circular letter G. No. 257, dated Jena, Sept. 21st, 1908, addressed, "To the Parties," beginning with the words, "With reference to G. 255 the White

- 3808 Star Line write," and ending with the words, "be taken as part of a basis for arriving at correct percentages."

Marked Petitioner's Exhibit No. 1,302.

Also circular letter No. 258, dated Jena, Sept. 21st, 1908, addressed, "To the Parties," beginning with the words, "I have asked the R. E. SS. Co. for the exact figures," and ending with the words, "of the Lines have not replied yet."

Marked Petitioner's Exhibit No. 1,303.

- 3809 Also circular letter G. No. 269, dated Jena, Oct. 2nd, 1908, addressed, "To the Parties," beginning with the words, "With reference to G. No. 257 the Red Star Line write," and ending with the words, "to be added to the memo of the Agreement."

Marked Petitioner's Exhibit No. 1,304.

Also circular letter G. No. 287, dated Jena, Oct. 29th, 1908, addressed, "To the Parties," beginning with the words, "In the Agreement sent with G. No. 285 there is," and ending with the words, "page 2 and substitute it by the enclosed sheet." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,305.

- 3810 Also Agreement BB, headed Art. 3, beginning with the words, "The Russian Eastasiatic S. S. Co. shall receive," and ending with the words, "east or west as the case may be."

Marked Petitioner's Exhibit 1,306.

Also circular letter G. No. 289, dated Jena, Nov. 3rd, 1908, addressed, "To the Parties," beginning with the words, "On October 26th I received the following letter from Mr. Smyth," and ending with the words, "I shall put the question on the Agenda of the next meeting."

Marked Petitioner's Exhibit No. 1,307.

Also circular letter G. No. 292, dated Jena, Nov. 9th, 1908, addressed, "To the Parties," beginning with the words, "Enclosed I beg to hand a proof copy of the Agreement," and ending with the words, "I intend to send the Agreement to the Russian Eastasiatic SS. Co. on the 16th instant nothing unforeseen happening." 3811

Marked Petitioner's Exhibit 1,308.

Also circular letter G. No. 296, dated Jena, Nov. 17th, 1908, addressed, "To the Parties," beginning with the words, "I received the following letter from the White Star Line," and ending with the words, "I have noted the matter for the Agenda."

Marked Petitioner's Exhibit No. 1,309. 3812

Also circular letter G. No. 305, dated Jena, Nov. 28th, 1908, addressed, "To the Parties," beginning with the words, "Mr. A. Coshilanic-Onishcavich, who was formerly an employe of the Anglo Continentales Reisebureau," and ending with the words, "that the British Lines fall in with the proposal of the Continental Lines."

Marked Petitioner's Exhibit No. 1,310.

Also circular letter G. No. 311, dated Jena, Dec. 14th, 1908, addressed, "To the Parties," beginning with the words, "According to Minute 91 of the Cologne Meeting," and ending with the words, "I shall then send copies to the other parties." 3813

Marked Petitioner's Exhibit No. 1,311.

Also circular letter G. No. 313, dated Jena, Dec. 16th, 1908, addressed, "To the Parties," beginning with the words, "I received from Dr. Wiegand the following letter dated Cannes, Decbr. 13th," and ending with the words, "Please communicate at once with all the Lines interested."

Marked Petitioner's Exhibit No. 1,312.

- 3814 Also circular letter G. No. 315, dated Jena, Dec. 19th, 1908, addressed, "To the Parties," beginning with the words, "I beg to submit the following letter received today from the Canadian Pacific Railway Co.," and ending with the words, "I shall be glad to receive the replies of the Lines to this proposal."

Marked Petitioner's Exhibit No. 1,313.

- 3815 Also circular letter G. No. 322, dated Jena, Jan. 2nd, 1909, addressed, "To the Parties," beginning with the words, "On December 28th I sent the following message," and ending with the words, "If however it should be the case will such Line please wire me, not later than 5th instant here."

Marked Petitioner's Exhibit No. 1,314.

Also circular letter G. No. 330, dated Jena, Jan. 16th, 1909, addressed, "To the Parties," beginning with the words, "Enclosed I beg to hand copy of Mr. Wildings award," and ending with the words, "each their share in the fee of the arbitrator."

Marked Petitioner's Exhibit No. 1,315.

- 3816 Also Enclosure to G. No. 330, headed Allowance of more than 5% Commission to Agents in America on First-Class Business, beginning with the words, "7½% has been allowed to agents other than General Agents," and ending with the words, "to be paid in equal proportions by the four defaulting Lines."

Marked Petitioner's Exhibit No. 1,316.

Also circular letter G. No. 348, dated Jena, Feb. 12th, 1909, addressed, "To the Parties," beginning with the words, "The Allan Line write, 'In accordance with Byelaw No. 10,' " and ending with the words, "it is competent for the White Star Line to continue a Canadian Service."

Marked Petitioner's Exhibit No. 1,317.

Also circular letter G. No. 349, dated Jena, Feb. 13th, 1909, addressed, "To the Parties," beginning with the words, "According to Form 35 No. 1 I beg to request the Parties," and ending with the words, "The Lines will please remit me the amounts in due time." 3817

Marked Petitioner's Exhibit No. 1,318.

Also circular letter G. No. 353, dated Jena, Feb. 16th, 1909, addressed, "To the Parties," beginning with the words, "On this subject the following Lines have put forward their views," and ending with the words, "have always maintained a service between Liverpool and Montreal."

Marked Petitioner's Exhibit No. 1,319. 3818

Also circular letter G. No. 354, dated Jena, Feb. 16th, 1909, addressed, "To the parties," beginning with the words, "Enclosed I beg to hand copy of the arbitrator's award," and ending with the words, "for the arbitrator."

Marked Petitioner's Exhibit No. 1,320.

Also Appendix to G. No. 354, dated The Moorings Basset, Southampton, Feb. 13th, 1909, beginning with the words, "I am asked to settle the First and Second-Class Rates," and ending with the words, "to be charged by the Red Star Line for the Lapland during 1909 be:" 3819

Marked Petitioner's Exhibit No. 1,321.

Also circular letter G. No. 360, dated Jena, Feb. 20th, 1909, addressed, "To the Parties," beginning with the words, "We herewith beg to say that in respect of the Allan Line's notice," and ending with the words, "against the standpoint taken by the Allan Line."

Marked Petitioner's Exhibit No. 1,322.

Also circular letter G. No. 363, dated Jena, Feb. 23rd, 1909, addressed, "To the Parties," beginning



- 3820 with the words, "Referring to your G. No. 353 we note that the Hamburg American Line," and ending with the words, "may probably have to be decided by a second arbitration."

Marked Petitioner's Exhibit No. 1,323.

Also circular letter G. No. 365, dated Jena, Feb. 26th, 1909, addressed, "To the Parties," beginning with the words, "According to reports received from the Red Star Line," and ending with the words, "I await to hear if the British Lines concur." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,324.

- 3821 Also circular letter G. No. 386, dated Jena, March 15th, 1909, addressed, "To the Parties," beginning with the words, "Referring to circular letter G. No. 377 & 383," and ending with the words, "in the event of your claiming arbitration as against the I. M. M. Co."

Marked Petitioner's Exhibit No. 1,325.

Also circular letter G. No. 389, dated Jena, March 16th, 1909, addressed, "To the Parties," beginning with the words, "I received a letter from Mr. Cosulich," and ending with the words, "by all the other S. S. Lines in the North Atlantic trade."

- 3822 Marked Petitioner's Exhibit 1,326.

Also circular letter G. No. 392, dated Jena, March 19th, 1909, addressed, "To the Parties," beginning with the words, "I received the following letter from White Star Line," and ending with the words, "but only to have found themselves in a rather weak position."

Marked Petitioner's Exhibit No. 1,327.

Also circular letter G. No. 401, dated Jena, March 29th, 1909, addressed, "To the Parties," beginning

with the words, "Enclosed I beg to hand typed copies of minutes," and ending with the words, "printed copies will follow in a few days." 3823

Marked Petitioner's Exhibit 1,328.

Headed Atlantic Conference, beginning with the words, "The Lines, Allan excepted, agree to revive Byelaw 22," and ending with the words, "Signed: Ch. Tattet for the Cabin Agreement."

Marked Petitioner's Exhibit No. 1,329.

Also circular letter G. No. 413, dated Jena, April 10th, 1909, addressed, "To the Parties," beginning with the words, "The Mediterranean Lines having finally agreed to increase their eastbound rates," and ending with the words, "instruct their American representatives accordingly." 3824

Marked Petitioner's Exhibit No. 1,330.

Also circular letter G. No. 433, dated Jena, April 30th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line wired me that yesterday 120 Italians passed Antwerp for N. W. T. L.," and ending with the words, "their eastbound sailings."

Marked Petitioner's Exhibit No. 1,331.

Also circular letter G. No. 446, dated Jena, May 12th, 1909, addressed, "To the Parties," beginning with the words, "The N. D. Lloyd inform me that according to informations he has got of late," and ending with the words, "The railroad fare Belgrad-Basle is 28 Francs." 3825

Marked Petitioner's Exhibit No. 1,332.

Also circular letter G. No. 447, dated Jena, May 13th, 1909, addressed, "To the Parties," beginning with the words, "The Holland American Line write that the S S. 'Uranium,'" and ending with the words,

3826 "they are willing to join in an eventual disqualification."

Marked Petitioner's Exhibit No. 1,333.

Also circular letter G. No. 463, dated Jena, May 28th, 1909, addressed, "To the Parties," beginning with the words, "The White Star Line send me copy of correspondence," and ending with the words, "on passengers delivered to Canadian Railways as per annex."

Marked Petitioner's Exhibit No. 1,334.

3827 Also Annex to G. No. 463, headed From I. I. & Co., L'pool dated March 29th, 1909, to Mr. F. C. Salter, Grand Trunk Railway, beginning with the words, "Referring to your letter to me of the 13th instant," and ending with the words, "correspondence with the Grand Trunk Railway and yourself, as per attached."

Marked Petitioner's Exhibit No. 1,335.

Also circular letter G. No. 469, dated Jena, June 1st, 1909, addressed, "To the Parties," beginning with the words, "Acknowledging your favor of the 24th inst., enclosing copies of recent correspondence," and ending with the words, "attack by a competing Rail Line having no status in our Conference." Signed: "H. Peters."

3828

Marked Petitioner's Exhibit No. 1,336.

Also circular letter G. No. 488, dated Jena, June 12th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line write, that besides the compensation of \$4," and ending with the words, "the Lines will please consider it in principle."

Marked Petitioner's Exhibit No. 1,337.

Also circular letter G. No. 525, dated Jena, July 13th, 1909, addressed, "To the Parties," beginning

with the words, "We have your favor of the 6th inst. (G. 514)," and ending with the words, "eventually Lines would be entitled to take recourse to article 11b." 3829

Marked Petitioner's Exhibit No. 1,338.

Also circular letter G. No. 557, dated Jena, Aug. 19th, 1909, addressed, "To the Parties," beginning with the words "With reference to G. No. 517, the parties who were of opinion," and ending with the words, "to pay the above amounts to the Russian American Line at Libau."

Marked Petitioner's Exhibit No. 1,339.

Also circular letter G. No. 563, dated Jena, Aug. 21st, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. No. 553 the Holland-American Line write," and ending with the words, "strictly adheres to every stipulation of Agreement V." 3836

Marked Petitioner's Exhibit No. 1,340.

Also circular letter G. No. 613, dated Jena, Oct. 7th, 1909, addressed, "To the Parties," beginning with the words "According to Monthly Adjustment-Statements for September," and ending with the words, "send their cheques direct to the Russian East-Asiatic S. S. Co. at Libau."

Marked Petitioner's Exhibit No. 1,341.

Also circular letter G. No. 614, dated Jena, Oct. 7th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line send me the following bill for fighting steamers," and ending with the words, "the latter will please refund \$0.52 to the Allan Line." 3831

Marked Petitioner's Exhibit No. 1,342.

Also circular letter G. No. 638, dated Jena, Nov. 3rd, 1909, addressed, "To the Parties," beginning with

- 3832 the words, "The Russian American Line write under date of October 30th," and ending with the words, "I wired the Russian American Line this objection."

Marked Petitioner's Exhibit No. 1,343.

Also circular letter G. No. 653, dated Jena, Nov. 15th, 1909, addressed, "To the Parties," beginning with the words, "Please put on the Agenda for this meeting the question," and ending with the words, "an advance of the second-class rates to be put on the Agenda."

Marked Petitioner's Exhibit No. 1,344.

- 3833 Also circular letter G. No. 654, dated Jena, Nov. 16th, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line desire as a further point," and ending with the words, "Philadelphia and Boston to II class passengers."

Marked Petitioner's Exhibit No. 1,345.

Also circular letter G. No. 659, dated Jena, Nov. 19th, 1909, addressed, "To the Parties," beginning with the words, "Referring to my letter of April 2nd, 1908, giving you the division" and ending with the words, "I do not propose to make any change in the Eastbound allotment."

- 3834 Marked Petitioner's Exhibit No. 1,346.

Also circular letter G. No. 666, dated Jena, Nov. 29th, 1909, addressed, "To the Parties," beginning with the words, "Enclosed I beg to send copies of the minutes of the meeting," and ending with the words, "printed copies will follow."

Marked Petitioner's Exhibit No. 1,347.

Headed Conference Meeting of November 25th, 1909, in London, Savoy Hotel, beginning with the words, "Allan Line, Mr. Hugh A. Allan," and ending with the words, "British Conference who will communicate with the Continental Lines."

## Marked Petitioner's Exhibit No. 1,348.

3835

Headed The subcommittee appointed by the General Meeting today recommends the following, beginning with the words, "Considering the unanimous wish of the British Lines," and ending with the words, "may have turned over business to competing outside Lines." Signed: "Plettenberg, G. Weingartner, P. van der Graaf, S. J. Lister, C. Swain, John Aitchison, W. McK. Rodan, Ad. Storm."

## Marked Petitioner's Exhibit No. 1,349.

Headed Memo of Sub-Committee, beginning with the words, "H. 2 Agreement. This Agreement was discussed," and ending with the words, "arranging the simplest method of covering the point." Signed: "Ad-Storm." 3836

## Marked Petitioner's Exhibit No. 1,350.

Also circular letter G. No. 456. Dated Jena, May 24th, 1909, addressed, "To the Parties," written in French.

## Marked Petitioner's Exhibit No. 1,351.

Also translation of circular letter G. No. 456. beginning with the words, "As regards use of superlatives we enclose circular of the C. P. R.," and ending with the words, "the magnificence and sumptuous decorations of the staterooms and saloons." 3837

## Marked Petitioner's Exhibit No. 1,352.

Also circular letter G. No. 458, dated Jena, May 26th, 1909, addressed, "To the Parties," beginning with the words "Cable is received saying that 'Estonia' left New York May 24th," and ending with the words, "Rusamerika is entitled to a compensation of \$2 per adult."

## Marked Petitioner's Exhibit No. 1,353.

- 3838 Also circular letter G. No. 459, dated Jena, May 26th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line advises the following passengers for the North West Transport Line," and ending with the words, "The next departure is by the 'Raglan Castle,' on the 29th inst."

Marked Petitioner's Exhibit No. 1,354.

- 3839 Also circular letter G. No. 461, dated Jena, May 27th, 1909, addressed, "To the Parties," beginning with the words "The Holland American Line received from their New York office the following 'confidential' letter," and ending with the words, "Richards cannot be held for possible outstanding prepaids."

Marked Petitioner's Exhibit No. 1,355.

Also circular letter G. No. 462, dated Jena, May 27th, 1909, addressed, "To the Parties," beginning with the words, "The Nordd. Lloyd inform me that the North West Transport Line have reduced their rates," and ending with the words, "Kr. 125 inclusive of board and lodging and American headtax for the passengers to New York."

Marked Petitioner's Exhibit No. 1,356.

- 3840 Also circular letter G. No. 464, dated Jena, May 29th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line up till now when refunding prepaids deducted 10%," and ending with the words, "Will the Lines please inform me of their views on the subject."

Marked Petitioner's Exhibit No. 1,357.

Also circular letter G. No. 465, dated Jena, May 29th, 1909, addressed, "To the Parties," beginning with the words, "S. S. 'Raglan Castle,' which sailed from New York on May 12th with 127 passengers in steerage & 3 in cabin," and ending with the words, "Vienna passed Antwerp on their way to Rotterdam for the Atlantic Express Co."

## Marked Petitioner's Exhibit No. 1,358.

3841

Also circular letter G. No. 467, dated Jena, May 29th, 1909, addressed, "To the Parties," beginning with the words "The Continental Line are unanimous to disqualify the firm Corecco & Brivio," and ending with the words, "should be extended to all persons in whatsoever connection with them."

## Marked Petitioner's Exhibit No. 1,359.

Also circular letter G. No. 468, dated Jena, June 1st, 1909, addressed, "To the Parties," beginning with the words, "The Holland American Line write," and ending with the words, "we regret to note the rather uncivil tone in which the Allan Line's remarks were made."

3842

## Marked Petitioner's Exhibit No. 1,360.

Also circular letter G. No. 470, dated Jena, June 1st, 1909, addressed, "To the Parties," beginning with the words, "I have before me a postal card from Charles Staehli," and ending with the words, "Hence the compensation for the 'Estonia,' is not \$2, but \$4., (Min. 22a)."

## Marked Petitioner's Exhibit No. 1,361.

Also circular letter G. No. 471, dated Jena, June 2nd, 1909, addressed, "To the Parties," beginning with the words "With regard to the proposed disqualification of Mr. Buchel of Buchs" and ending with the words, "The proposed disqualification therefore cannot be carried out."

3843

## Marked Petitioner's Exhibit No. 1,362.

Also circular letter G. No. 480, dated Jena, June 7th, 1909, addressed, "To the Parties," beginning with the words "Since all parties agree to disqualify the agent," and ending with the words, "request the parties to issue their circular disqualifying him and to send me copies of it."



3844

## Marked Petitioner's Exhibit No. 1,363.

Also circular letter G. No. 482, dated Jena, June 9th, 1909, addressed, "To the Parties" beginning with the words, "With regard to the above question," and ending with the words "request the Lines kindly to advise their representatives."

## Marked Petitioner's Exhibit No. 1,364.

Also circular letter G. No. 486, dated Jena, June 12th, 1909, addressed, "To the Parties," beginning with the words, "Hapag received the following cable, 'Uranium sailed yesterday (9th),' and ending with the words, 'In order to avoid differences of opinion later on this point ought to be decided, before the proposal of the Small Committee is adopted.'"

## Marked Petitioner's Exhibit No. 1,365.

Also circular letter G. No. 487, dated June 12th, 1909, addressed, "To the Parties," beginning with the words, "In consequence of a suggestion of the Anchor Line," and ending with the words, "the Italian business which the N. W. T. L. hitherto got, can be reduced."

## Marked Petitioner's Exhibit No. 1,366.

Also circular letter G. No. 489, dated Jena, June 12th, 1909, addressed, "To the Parties," beginning with the words, "I informed the parties that the 'Raglan Castle' left Rotterdam on the 5th instant," and ending with the words, "June 8th from Chas Staehli, Basle 8 passengers, Macedonians,—Total 36."

## Marked Petitioner's Exhibit No. 1,367.

Also circular letter G. No. 490, dated Jena June 14th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report the following passenger transports for the N. W. T. L." and ending with the words, "carried over from G. No. 489—36 passengers, Total: 125, 11 1/2 passengers."

## Marked Petitioner's Exhibit No. 1,368.

3847

Also circular letter G. No. 491, dated Jena, June 14th, 1909, addressed, "To the Parties," beginning with the words, "The actual number of passengers carried by the 'Raglan Castle,'" and ending with the words, "Most of the passengers from England are Americans who came from Liverpool."

## Marked Petitioner's Exhibit No. 1,369.

Also circular letter G. No. 492, dated Jena, June 15th, 1909, addressed, "To the Parties," beginning with the words, "In the eastbound statistic for 1907," and ending with the words, "The addition remains the same." Signed, "H. Peters."

3848

## Marked Petitioner's Exhibit No. 1,370.

Also circular letter G. No. 493, dated Jena, June 16th, 1909, addressed, "To the Parties," beginning with the words, "With reference to G. 486, the parties are agreeable to pay up \$5," and ending with the words, "I would request the Lines to state whether they are agreeable to it."

## Marked Petitioner's Exhibit No. 1,371.

Also circular letter G. No. 497, dated Jena, June 19th, 1909, addressed, "To the Parties," beginning with the words, "After cabling to New York that the parties agreed to pay up to \$5," and ending with the words, "I beg to inform the parties yet that the N. W. T. L. reduced their III class Ppd. rate from \$36.50 to \$34.50."

3849

## Marked Petitioner's Exhibit No. 1,372.

Also circular letter G. No. 499, dated Jena, June 22nd, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line send me the following bill of compensation," and ending with the words, "Will the parties (Allan Line excepted)

- 3850 please inform me whether they agree to total sum of \$2,017.70 being paid."

Marked Petitioner's Exhibit No. 1,373.

Also circular letter, G. No. 500, dated Jena, June 23rd, 1909, addressed, "To the Parties," beginning with the words "After the parties agreed to grant the Russian American Line their claim," and ending with the words, "which the parties will please remit to the Russian American Line at Libau."

Marked Petitioner's Exhibit No. 1,374.

- 3851 Also circular letter Annex to G. 500, beginning with the words, "R. V. F. Libau prepaids carried by the Russian American Line," and ending with the words, "Steerage 227-191-14-@ Rbl. 17 = Rbl 5482.50 — Rbl.5752.50 50% = Rbl. 2876.25."

Marked Petitioner's Exhibit No. 1,375.

Also circular letter G. No. 502, dated Jena, June 26th, 1909, addressed, "To the Parties," beginning with the words, "Red Star Line writes," and ending with the words, "ask that the lines wire their vote."

Marked Petitioner's Exhibit No. 1,376.

- 3852 Also circular letter G. No. 508, dated Jena, June 23rd, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line submit the following bill for compensation for S. S. 'Russia,'" and ending with the words, "please inform me whether they agree to pay the bill."

Marked Petitioner's Exhibit No. 1,377.

Also circular letter G. No. 511, dated Jena, July 3rd, 1909, addressed, "To the Parties," beginning with the words, "The proposal to make a general advance of II class rates by 20 Marks has not been agreed to," and ending with the words, "I shall consider that they do not see their way to agree to any of them."

## Marked Petitioner's Exhibit No. 1,378.

3853

Also circular letter G. No. 514, dated Jena, July 5th, 1909, addressed, "To the Parties," beginning with the words, "On June 11th the American Line wrote about their steady increasing shortage," and ending with the words, "sufficient to bring about the desired result."

## Marked Petitioner's Exhibit No. 1,379.

Also circular letter G. No. 517, dated Jena, July 7th, 1909, addressed, "To the Parties," beginning with the words, "The replies of the Lines with reference to this subject differ," and ending with the words, "I beg to refer to G. No. 488, which seems to contain the information."

3854

## Marked Petitioner's Exhibit No. 1,380.

Also circular letter G. No. 518, dated, Jena, July 7th, 1909, addressed, "To the Parties," beginning with the words, "The Cunard Line write on July 3rd," and ending with the words, "the above passengers were booked."

## Marked Petitioner's Exhibit No. 1,381.

Also circular letter G. 519, dated Jena, July 7th, 1909, addressed "To the Parties," beginning with the words, "On several occasions complaints have been raised with reference to the quoting of net rates," and ending with the words, "as they think make it in the interest of the community to maintain for the present, the present practice."

3855

## Marked Petitioner's Exhibit 1,382.

Also circular letter G. No. 523, dated, Jena, July 10th, 1909, addressed, "To the Parties," beginning with the words, "Of the four (4) proposals made in G. No. 511," and ending with the words, "I informed the Lines by wire."

## Marked Petitioner's Exhibit No. 1,383.

- 3856 Also circular letter G. No. 524, dated, Jena, July 12th, 1909, addressed, "To the Parties," beginning with the words, "In reference to G. No. 407, Mr. Smyth, writes," and ending with the words, "the disqualified Universal Reisebureau, Vienna, besides Vaterland."

Marked Petitioner's Exhibit No. 1,384.

- Also circular letter G. No. 528, dated, Jena, July 19th, 1909, addressed, "To the Parties," beginning with the words, "On this subject the following communications have been received," and ending with the words, "they will await the result of the American Line's action."
- 3857

Marked Petitioner's Exhibit No. 1,385.

Also circular letter G. No. 529, dated, Jena, July 20th, 1909, addressed, "To the Parties," beginning with the words, "With reference to G. No. 518, the Cunard Line write," and ending with the words, "for the N. W. T. L. or if not, for which other line."

Marked Petitioner's Exhibit No. 1,386.

- Also circular letter G. No. 531, dated Jena, July 22nd, 1909, addressed "To the Parties," beginning with the words, 'Volturno' July 10th Eastbound," and ending with the words, "No information yet about fighting steamer."
- 3858

Marked Petitioner's Exhibit No. 1,387.

Also circular letter G. No. 532, dated Jena, July 22nd, 1909, addressed, "To the Parties," beginning with the words, "The Holland American Line wish me to promulgate the following letter of their New York office of 9th instant," and ending with the words, "I do not think is intended by such an important paragraph as Minute 22."

Marked Petitioner's Exhibit No. 1,388.

Also circular letter G. No. 533, dated, Jena July 24th, 1909, addressed "To the Parties," beginning with the words, "I received today the following letter from Lloyd," and ending with the words, "our third-class is the same as on many vessels the second-class." 3859

Marked Petitioner's Exhibit No. 1,389.

Also circular letter G. No. 534, dated Jena July 26th, 1909, addressed "To the Parties," beginning with the words, "In pursuance to the communication of the Red Star Line, as per G. No. 524, the latter write," and ending with the words, "where the Union Ticket Office is in connection with a disqualified firm?" 3860

Marked Petitioner's Exhibit No. 1,390.

Also circular letter G. No. 535, dated Jena, July 26th, 1909, addressed, "To the Parties," beginning with the words, "With reference to G. No. 528," and ending with the words, "the commentary to Art. 11 of the Main Contract."

Marked Petitioner's Exhibit No. 1,391.

Also circular letter G. No. 538, dated, Jena, July 28th, 1909, addressed, "To the Parties," beginning with the words, "The Scandiavian American Line write," and ending with the words, "as soon as the agreement has been completed." 3861

Marked Petitioner's Exhibit No. 1,392.

Also circular letter G. No. 540, dated Jena, July 30th, 1909, addressed, "To the Parties," beginning with the words, "Further to G. No. 539, I beg to inform that the rate at which was booked for the Uranium has officially been \$25," and ending with the words, "If the parties deem a fighting steamer necessary, they will please inform me by wire."

Signed, "H. PETERS."

Marked Petitioner's Exhibit No. 1,393.

- 2862** Also circular letter G. No. 542, dated Jena, July 31st, 1909, addressed, "To the Parties," beginning with the words, "In pursuance to G. No. 529 the American Line, Southampton inform me of the following reply of their Basle agents Messrs. Laiser & Co." and ending with the words "Will the Lines please say whether they agree."

Marked Petitioner's Exhibit No. 1,394.

- 3863** Also circular letter G. No. 544, dated, Jena, August 2nd, 1909, addressed, "To the Parties," beginning with the words, "The Anchor Line write," and ending with the words, "I will on next opportunity make out the account accordingly."

Marked Petitioner's Exhibit No. 1,395.

Also circular letter G. No. 545, dated, Jena, August 3rd, 1909, addressed, "To the Parties," beginning with the words, "With reference to the suggestion," and ending with the words, "steamer must be appointed."

Marked Petitioner's Exhibit No. 1,396.

- 3864** Also circular letter G. No. 548, dated, Jena, August 9th, 1909, addressed, "To the Parties," beginning with the words, "The White Star Line write," and ending with the words, "The Parties will please let me have their replies."

Marked Petitioner's Exhibit No. 1,397.

Also circular letter G. No. 551, dated, Jena, August 12th, 1909, addressed, "To the Parties," beginning with the words, "The White Star Line write," and ending with the words, "The proposal will be put on the Agenda for discussion at the next A. C. Meeting."

Marked Petitioner's Exhibit No. 1,398.

Also circular letter G. 555, dated, Jena, August 16th, 1909, addressed, "To the Parties," beginning

with the words, "The American Line and the White Star-Dominion Line, Canadian Service write," and ending with the words, "The question will be put on the Agenda of the next A. C. Meeting."

3865

Marked Petitioner's Exhibit No. 1,400.

Also circular letter G. No. 554, dated, Jena, August 16th, 1909, addressed, "To the Parties," beginning with the words, "S. S. Raglan Castle" left New York on August 10th with 224 steeragers," and ending with the word "her rate was fixed at \$24—less \$2 commission."

Marked Petitioner's Exhibit No. 1,399.

Also circular letter G. No. 559, dated, Jena, August 20th, 1909, addressed, "To the Parties," beginning with the words, "I received the following letter from the Cunard Line," and ending with the words, "the disqualification is to be considered as agreed upon."

3866

Marked Petitioner's Exhibit No. 1,401.

Also circular letter G. 561, dated, Jena, August 21st, 1909, addressed, "To the Parties," beginning with the words, "S. S. Lithuania, which was appointed by the Small Committee, etc.", and ending with the words, "The lines will please remit the above amounts to the Russian America Line at Libau."

Signed, "H. PETERS."

3867

Marked Petitioner's Exhibit No. 1,402.

Also circular letter G. No. 567, dated Jena, August 27th, 1909, addressed, "To the Parties," beginning with the words, "From the letters received with regard to the disqualification of the above firm I quote the following two," and ending with the words, "The Cunard Line no doubt will offer what evidence they can get in this matter."

Marked Petitioner's Exhibit No. 1,403.



- 3868 Also circular letter G. No. 568, dated, Jena, August 28th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line write," and ending with the words, "the Continental Lines should have given their consent."

Marked Petitioner's Exhibit No. 1,404.

Also circular letter G. No. 570, dated, Jena, August 31st, 1909, addressed, "To the Parties," beginning with the words, "In addition to G. No. 567 there is a letter from Star," and ending with the words, "than has hitherto been done in similar cases."

Marked Petitioner's Exhibit No. 1,405.

- 3869 Also circular letter G. No. 571, dated, Jena, August 31st, 1909, addressed, "To the Parties," beginning with the words, "On August 23rd I wrote The Anchor Line," and ending with the words, "to prevent any of the facilities offered by the U. R. B. being utilized."

Marked Petitioner's Exhibit No. 1,406.

Also circular letter beginning with the words, "Dear Sirs: We beg to inform you that we had occasion to-day to see Red Star Line Prepaid," and ending with the words, "from Vienna through the Universal Reise Bureau."

Marked Petitioner's Exhibit No. 1,407.

3870

Also circular letter G. No. 572, dated, Jena, September 2nd, 1909, addressed, "To the Parties," beginning with the words, "Art. 1 of Agreement AA. covers the entire steerage traffic," and ending with the words, "account for Continental steeragers by their Mediterranean steamers."

Marked Petitioner's Exhibit No. 1,408.

Also circular letter G. No. 573, dated Jena, September 2nd, 1909, addressed "To the Parties," beginning with the words, "Reverting to G. No. 532, I still

beg to submit the following letter," and ending with the words, "the Small Committee should have power to decide that extra commission be paid if it is deemed necessary." 3871

Marked Petitioner's Exhibit No. 1,409.

Also circular letter, G. No. 574, dated Jena, September 3rd, 1909, addressed, "To the Parties," beginning with the words, "Hamburg American Line write," and ending with the words, "let me have their reply on the case."

Marked Petitioner's Exhibit No. 1,410.

Also circular letter G. No. 575, dated, Jena, September 6th, 1909, addressed, "To the Parties," beginning with the words, "The Napolitan Prince left Rotterdam on the 4th inst." and ending with the words "and been substituted by the Napolitan Prince as above." 3872

Marked Petitioner's Exhibit No. 1,411.

Also circular letter G. No. 576, dated Jena, September 7th, 1909, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd & Holland American Line share the opinion of the White Star Line," and ending with the words, "Will the lines who have not yet expressed themselves on G. No. 532/573 please do so." 3873

Marked Petitioner's Exhibit No. 1,412.

Also circular letter G. No. 580, dated Jena, September 10th, 1909, addressed, "To the Parties," beginning with the words, "The White Star Line write 7th inst." and ending with the words, "and of course what is considered right for one line must be right for all."

Marked Petitioner's Exhibit No. 1,413.

Also circular letter G. No. 582, dated Jena, September 11th, 1909, addressed "To the parties," beginning

- 3874 with the words, "In reply to G. No. 574 the Anchor Line say," and ending with the words, "all for the Anchor Line."

Marked Petitioner's Exhibit No. 1,414.

Also circular letter G. No. 583, dated Jena, September 13th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line, send me letter of the Union Ticket office," and ending with the words, "they reported the present case for further characterizing."

Marked Petitioner's Exhibit No. 1,415.

- 3875 Also circular letter G. No. 584 dated Jena, September 14th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line in a letter of Sep. 3rd," and ending with the words, "so I can await answer next days."

Marked Petitioner's Exhibit No. 1,416.

Also circular letter G. No. 585, dated Jena, September 14th, 1909, addressed, "To the Parties," beginning with the words, "A cable from New York gives the number of passengers as" and ending with the words, "In this latter respect, the Committee would have to exercise the control of the rates."

- 3876 Marked Petitioner's Exhibit No. 1,417.

Also circular letter G. No. 586, dated, Jena, September 14th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line informed me under date of 8th inst.," and ending with the words, "They have abolished improved steerage on their steamers."

Marked Petitioner's Exhibit No. 1,418.

Also circular letter G. No. 587, dated Jena, September 15th, 1909, addressed, "To the Parties," beginning with the words, "In reply to G. 571/74 the Red Star

Line write," and ending with the words, "the Red Star's report in G. No. 582 continues to exist." 3877

Marked Petitioner's Exhibit No. 1,419.

Also circular letter G. No. 588, dated Jena, September 17th, 1909, addressed, "To the Parties," beginning with the words, "With regard to the information," and ending with the words, "The Reisebureau Vaterland, is still under consideration with the B. L."

Marked Petitioner's Exhibit No. 1,420.

Also circular letter G. No. 589, dated Jena, September 18th, 1909, addressed, "To the Parties," beginning with the words, "Your letter G. 585 14th September concerning increased commission for fighting steamers," and ending with the words, "reserving our right to withdraw on fourteen days' notice." 3878

Marked Petitioner's Exhibit No. 1,421.

Also circular letter G. No. 590, dated Jena, September 21st, 1909, addressed, "To the Parties," beginning with the words, "The Anchor Line in reply to G. No. 587, say," and ending with the words, "prevent business reaching them through U. R. B."

Marked Petitioner's Exhibit No. 1,422.

Also circular letter G. No. 591, dated Jena, September 21st, 1909, addressed "To the Parties," beginning with the words, "I am in receipt of the following letter from the Anchor Line," and ending with the words "the disqualification should not be carried out." 3879

Marked Petitioner's Exhibit No. 1,423.

Also circular letter G. No. 592, dated Jena, September 22nd, 1909, addressed, "To the Parties," beginning with the words, "Reverting to the last paragraph of G. No. 584, following is the reply from New York," and ending with the words, "the opinion expressed that they are not desirable."

3880

Marked Petitioner's Exhibit No. 1,424.

Also circular letter G. No. 594, dated Jena, September 24th, 1909, addressed, "To the Parties," beginning with the words, "There are the following letters on this subject," and ending with the words, "is subject to errors as other mortals too."

Marked Petitioner's Exhibit No. 1,426.

3881

Also circular letter dated Jena, September 24th, 1909, addressed to "Cunard Line, White Star Line, Hamburg Amerika Line, Norddeutscher Lloyd," beginning with the words "Reverting to the inquiry of the Nordd. Lloyd," and ending with the words, "inform me whether they will fall in."

Marked Petitioner's Exhibit No. 1,425.

Also circular letter G. No. 595, dated Jena, September 24th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line reply to G. 584 under date of September 18th, as follows," and ending with the words, "We are still willing to join the Byelaw 22 with the alterations previously mentioned."

Marked Petitioner's Exhibit No. 1,427.

3882

Also circular letter G. No. 596, dated Jena, September 24th, 1909, addressed, "To the Parties," beginning with the words, "With reference to the change in rates," and ending with the words, "so-called second-class rate must therefore of course, be pooled."

Marked Petitioner's Exhibit No. 1,428.

Also circular letter G. No. 599, dated, Jena, September 27th, 1909, addressed "To the Parties," beginning with the words, "Referring to G. No. 583 the Anchor Line wrote on 15th instant," and ending with the words, "the Anchor Line contrary to it will not stand the test."

Marked Petitioner's Exhibit No. 1,429.

3883

Also circular letter G. No. 600, dated Jena, Sept. 27th, 1909, addressed, "To the Parties," beginning with the words, "I beg to promulgate the following correspondence on this subject," and ending with the words, "his moving his place of business to some other locality."

Marked Petitioner's Exhibit No. 1,430.

Also circular letter G. No. 601, dated Jena, September 27th, 1909, addressed, "To the Parties," beginning with the words, "S. S. Uranium which sailed September 11th, with 240 passengers," and ending with the words, "the steamer proceeded on her voyage to Hamburg."

3884

Marked Petitioner's Exhibit No. 1,431.

Also circular letter G. No. 604, dated Jena, September 28th, 1909, addressed, "To the Parties," beginning with the words, "With regard to the proposed disqualification of said firm more precise dates," and ending with the words, "Will the parties please inform me how they decide on the subject?"

Marked Petitioner's Exhibit No. 1,432.

Also circular letter, dated Jena, October 1st, 1909, addressed to, "Cunard Line, White Star Line, Hamburg Amerika Linie, Norddeutscher Lloyd," beginning with the words "Reverting to the last paragraph of the circular letter of Sept. 24th," and ending with the words, "agreement at the meeting of the Mediterranean lines?"

3885

Marked Petitioner's Exhibit No. 1,433.

Also circular letter G. No. 607, dated Jena, Oct. 1st, 1909, addressed "To the Parties," beginning with the words, "The Norddeutscher Lloyd write," and ending with the words, "according to byelaw 4b, requires unanimous action of the lines."

3886

Marked Petitioner's Exhibit No. 1,434.

Also circular letter G. No. 608, dated Jena, Oct. 2nd, 1909, addressed, "To the Parties," beginning with the words, "Commission on Infants," and ending with the words "to get them duly signed and printed then."

Marked Petitioner's Exhibit No. 1,435.

Also circular letter G. No. 610, dated Oct. 5th, 1909, at Jena, addressed, "To the Parties," beginning with the words, "In reply to G. No. 604 the following answers have been received," and ending with the words "this firm is in connection with disqualified agents."

3887

Marked Petitioner's Exhibit No. 1,436.

Also circular letter G. No. 611, dated, Jena, October 6th, 1909, addressed "To the Parties," beginning with the words, "The Donaldson Line write October 4th," and ending with the words, "may bring one or two third-class as occasion requires."

Marked Petitioner's Exhibit No. 1,437.

3888

Also circular letter G. No. 615, dated Jena, Oct. 9th, 1909, addressed "To the Parties," beginning with the words, "Referring to the Bye-law 126 as drawn up in circular 608," and ending with the words, "I shall alter it accordingly."

Marked Petitioner's Exhibit No. 1,438.

Also circular letter G. No. 619, dated October 13th, 1909, addressed, "To the Parties," beginning with the words, "The desire has been expressed to discuss the matter," and ending with the words, "I note the subject for the Agenda." Signed "H. Peters."

Marked Petitioner's Exhibit No. 1,439.

Also circular letter G. No. 620 dated Jena, Oct. 14, 1909, addressed "To the Parties," beginning with the

words, "Of the parties who have expressed themselves on the subject," and ending with the words, "have the matter postponed for discussion at the next meeting."

3889

Marked Petitioner's Exhibit No. 1,440

Also circular letter G. No. 622, dated Jena, October 18th, 1909, addressed, "To the Parties," beginning with the words, "The Cunard Line write," and ending with the words, "The difference between the cases will be obvious."

Marked Petitioner's Exhibit No. 1,441.

Also circular letter G. No. 625, dated Jena, October 22nd, 1909, addressed, "To the Parties," beginning with the words, "Since August 1st up to October 15th the Scandinavian-American Line have forwarded," and ending with the words, "steeragers or their equivalent westbound and 285 eastbound."

3890

Marked Petitioner's Exhibit No. 1,442.

Also circular letter G. No. 627, dated Jena, October 23rd, 1909, addressed, "To the Parties," beginning with the words, "I beg to inform that after consulting the Continental Lines all lines are now agreeable," and ending with the words, "that this concession shall form no prejudice for the future."

Marked Petitioner's Exhibit No. 1,443.

3891

Also circular letter G. No. 629, dated Jena, October 25th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line write," and ending with the words, "quite a number of proofs have been submitted & even documents."

Marked Petitioner's Exhibit 1,444.

Also circular letter G. No. 630, dated Jena, October 26th, 1909, addressed, "To the Parties," beginning with the words, "I received following cable from New



- 3892 York 25th instant," and ending with the words, "steer-agers are booked at the regular rate."

Marked Petitioner's Exhibit No. 1,445.

Also circular letter G. No. 631, dated Jena, October 26th, 1909, addressed, "To the Parties," beginning with the words, "From Mr. Smyth I receive the following letter," and ending with the words, "It is now for the Continental Lines if they will let the matter rest for the present." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,446.

- 3893 Also circular letter G. No. 632, dated Jena, October 28th, 1909, addressed, "To the Parties," beginning with the words, "S. S. 'Volturmo' which left New York on October 9th landed," and ending with the words, "in the usual way at Hoek van Holland on 22nd instant."

Marked Petitioner's Exhibit No. 1,447.

Also circular letter G. No. 634, dated Jena, October 29th, 1909, addressed, "To the Parties," beginning with the words, "According to information I received from the Red Star Line," and ending with the words, "this year nearly 10,000 passengers withdrawn from the A. C. Lines."

Marked Petitioner's Exhibit No. 1,448.

- 3894 Also circular letter G. No. 635, dated Jena, October 30th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line send another report of 82 passengers for the North West Transport Line," and ending with the words, "were forwarded through the Universal Reisebureau."

Marked Petitioner's Exhibit No. 1,449.

Also circular letter G. No. 636, dated Jena, October 30th, 1909, addressed, "To the Parties," beginning with the words, "The Russian America Line tele-

graphed today as follows," and ending with the words, 3895  
 "The Russia is advertised to leave Newyork on the  
 6th of November."

Marked Petitioner's Exhibit No. 1,450.

Also circular letter G. No. 637, dated Jena, November 1st, 1909, addressed, "To the Parties," beginning with the words, "On October 23rd I was asked by some of the Continental Lines to request the Dominion Line to reduce their Continental rate," and ending with the words, "in accordance with Commentary to Article 11, Paragraphs c and d."

Marked Petitioner's Exhibit No. 1,451.

Also circular letter G. No. 639, dated Jena, November 4th, 1909, addressed, "To the Parties," beginning with the words, "The Holland America Line write," and ending with the words, "I shall put the subject on the Agenda of the next meeting." 3896

Marked Petitioner's Exhibit No. 1,452.

Also circular letter G. No. 640, dated Jena, November 8th, 1909, addressed, "To the Parties," beginning with the words, "The Red Star Line report 289 passengers for the North West Transport Line," and ending with the words, "the others were transited by the Universal Reisebureau, Vienna."

Marked Petitioner's Exhibit No. 1,453.

Also circular letter G. No. 642, dated Jena, November 9th, 1909, addressed, "To the Parties," beginning with the words, "Under date of 3rd instant the Russian American Line write," and ending with the words, "eventually detain the Russia America Line from withdrawing the Russia." 3897

Marked Petitioner's Exhibit No. 1,454.

Also circular letter G. No. 646, dated Jena, November 11th, 1909, addressed, "To the Parties," beginning

- 3898 with the words, "The White Star Line request me to circulate the attached correspondence," and ending with the words, "for discussion at the A. C. Meeting on the 25th instant."

Marked Petitioner's Exhibit No. 1,455.

Also Annex to G. No. 646, dated 21st Oct., 1909, headed, "Messrs. The Norddeutscher Lloyd."

Marked Petitioner's Exhibit No. 1,456.

- 3899 Also Annex to 646, dated Bremen, 28th, 1909, headed, "Copy of letter from Norddeutscher Lloyd," addressed, "Messrs. Ismay Imrie & Co., Liverpool," beginning with the words, "We are in receipt of your favour of 21st instant re 2nd class Pool," and ending with the words, "to prevent the diversion of second-class traffic into first-class."

Marked Petitioner's Exhibit No. 1,457.

Also Annex to G. 646, dated October 30th, 1909, addressed, "Messrs. The Norddeutscher Lloyd, Bremen" beginning with the words, "We are much obliged for your favor of the 28th inst., with regard to the proposed second-class pool," and ending with the words, "Kindly however, favour us with your view." Signed, "Ismay, Imrie & Co."

- 3900 Marked Petitioner's Exhibit No. 1,458.

Also letter dated Bremen, November 1st, 1909, addressed, "Messrs. Ismay, Imrie & Co., Liverpool," beginning with the words, "We are in receipt of your favor of the 30th ult. re formation of a second-class pool," and ending with the words, "the correspondence passed between us on this subject, and remain." Signed "Norddeutscher Lloyd."

Marked Petitioner's Exhibit No. 1,459.

Also letter to G.-No. 646 continued, dated, Bremen, October 17, 1909, addressed, "Messrs. Ismay, Imrie

& Co., Liverpool," and beginning with the words, "We 3901  
beg to acknowledge receipt of your favour of 14th  
instant," and ending with the words," requesting him  
to place the 2nd class question on the Agenda of next  
conference."

Marked Petitioner's Exhibit No. 1,460.

Also circular letter G. No. 649, dated Jena, November 12th, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg America Line write," and ending with the words, "The subject is on the Agenda."

Marked Petitioner's Exhibit No. 1,461.

Also circular letter G. No. 650, dated Jena, November 12th, 1909, addressed, "To the Parties," beginning with the words, "The Russian American Line write," and ending with the words, "reduction of the Libau rate the parties will please communicate their views." 3902

Marked Petitioner's Exhibit No. 1,462.

Also circular letter G. No. 655, dated Jena, November 18th, 1909, addressed, "To the Parties," beginning with the words, "Payment to the Russian East-Asiatic S. S. Co. (G. No. 647)," and ending with the words, "the Parties will please direct their payments to this office."

Marked Petitioner's Exhibit No. 1,463. 3903

Also circular letter G. No. 657, dated Jena, November 18th, 1909, addressed, "To the Parties," beginning with the words, "Since the departure of S. S. 'Volturno' which left Rotterdam on October 30th," and ending with the words, "quite a number of steer-agers are awaiting for the next sailing."

Marked Petitioner's Exhibit No. 1,464.

Also circular letter G. No. 658, dated Jena, November 18th, 1909, addressed, "To the Parties," beginning

- 3904 with the words, "The Anchor Line write," and ending with the words, "which were thought well to be at hand if they should be desired."

Marked Petitioner's Exhibit No. 1,465.

Also circular letter G. No. 662, dated Jena, November 1909, addressed, "To the Parties," which reads as follows: "Enclosed I beg to hand the supplement to the Agenda of the meeting of the 25th instant."

Marked Petitioner's Exhibit No. 1,466.

Also Supplement to Agenda of A. C. Meeting, London, November 25th, 1909.

- 3905 Marked Petitioner's Exhibit No. 1,467.

Also circular letter G. No. 667, dated Jena, November 30th, 1909, addressed, "To the Parties," beginning with the words, "The list of representatives of the last meeting not being made out correctly," and ending with the words, "the Parties will please substitute to the one sent yesterday."

Marked Petitioner's Exhibit No. 1,468.

Also Conference Meeting of November 25th, 1909, in London, Savoy Hotel.

Marked Petitioner's Exhibit No. 1,469.

- 3906 Also circular letter G. No. 668, dated Jena, December 3rd, 1909, addressed, "To the Parties," beginning with the words, "The Hamburg American Line inform me of the following cable they received from New York," and ending with the words, "anything more on the enterprise such information will be appreciated."

Marked Petitioner's Exhibit No. 1,470.

Also circular letter dated Jena, December 4th, 1909, addressed, "Cunard Line, White Star Line, Hamburg Amerika Linie, Norddeutscher Lloyd," beginning

with the words, "Extension of byelaw 106 to Med. Business, (Septr. 24th, 1909)," and ending with the words, "I got this resolution printed and enclosed beg to hand copies of it." 3907

Marked Petitioner's Exhibit No. 1,471.

Also circular letter G. No. 670, dated Jena, December 4th, 1909, addressed, "To the Parties," beginning with the words, "By the same mail I beg to send printed copies of the minutes of the last meeting," and ending with the words, "I therefore beg to request to destroy the sheet and to substitute it by the inclosed one."

Marked Petitioner's Exhibit No. 1,472.

3908

Also paper beginning with the words, "All Lines agreed to make a general advance of 10/—in Second Cabin minimum rates."

Marked Petitioner's Exhibit No. 1,473.

Also circular letter G. No. 671, dated Jena, December 6th, 1909, addressed, "To the Parties," beginning with the words, "The Cunard Line mention that in the Minutes of the last meeting no reference," and ending with the words, "All that I can do under the circumstances, is to take it on record here."

Marked Petitioner's Exhibit No. 1,474.

3909

Also circular letter G. No. 672, dated Jena, December 6th, 1909, addressed, "To the Parties," beginning with the words, "With regard to said enterprise the Holland America Line send me two circulars," and ending with the words, "I beg to promulgate the one in English language which reads as hereunder."

Marked Petitioner's Exhibit No. 1,475.

Also circular letter G. No. 673, dated Jena, December 7th, 1909, addressed, "To the Parties," beginning with the words, "In the Eastbound Statistics Form 26

- 3910 No. 41 the correction of Canadian Pacific's passengers," and ending with the words, "Will the parties please make this correction in their copies."

Marked Petitioner's Exhibit No. 1,476.

Also circular letter G. No. 675, dated Jena, December 7th, 1909, addressed, "To the Parties," beginning with the words, "informed the parties that according to news which I received," and ending with the words, "less \$2 commission; she got only 280 steeragers."

Marked Petitioner's Exhibit No. 1,477.

- 3911 Also circular letter G. No. 680, dated Jena, December 17th, 1909, addressed, "To the Parties," beginning with the words, "With reference to the above subject I beg to promulgate the following information," and ending with the words, "if they hear anything of such a service being arranged for."

Marked Petitioner's Exhibit No. 1,478.

Also circular letter G. No. 681, dated Jena, December 17th, 1909, addressed, "To the Parties," beginning with the words, "I have before me a letter from the agents of the above Line," and ending with the words, "said to be usually 30 days. Passengers are booked at."

Marked Petitioner's Exhibit No. 1,479.

- 3912 Also circular letter G. No. 682, dated Jena, December 20th, 1909, addressed, "To the Parties," beginning with the words, "The 'Uranium' which left New York on the 4th instant," and ending with the words, "she disembarked about 350 passengers."

Marked Petitioner's Exhibit No. 1,480.

Also circular letter G. No. 684, dated Jena, December 20th, 1909, addressed, "To the Parties," beginning with the words, "With reference to circular letter G. No. 668," and ending with the words, "the new enterprise must be regarded as a very serious one."



## Marked Petitioner's Exhibit No. 1,481.

3913

Also circular letter G. No. 686, dated Jena, December 21st, 1909, addressed, "To the Parties," beginning with the words, "The 'Napolitan Prince' left New York on the 18th instant," and ending with the words, "was appointed which left with 568 steeragers at \$24 less \$2."

## Marked Petitioner's Exhibit No. 1,482.

Also circular letter G. No. 688, dated Jena, December 22nd, 1909, addressed, "To the Parties," beginning with the words, "The Canadian Pacific R. R. Co. write," and ending with the words, "if anything further in this connection comes under their notice."

3914

## Marked Petitioner's Exhibit No. 1,483.

Also circular letter G. No. 689, dated Jena, December 22nd, 1909, addressed, "To the Parties," beginning with the words, "Enclosed is copy of a circular of the North West Transport Line," and ending with the words, "We shall await until the end of next week for your definite reply to above and remain." Signed, "Vesely & Co."

## Marked Petitioner's Exhibit No. 1,484.

Also circular letter G. No. 690, dated Jena, December 27th, 1909, addressed, "To the Parties," beginning with the words, "Of the 632 steeragers with which S. S. 'Voluturno' sailed on December 15th from Rotterdam were."

3915

## Marked Petitioner's Exhibit No. 1,485.

Also circular letter G. No. 691, dated Jena, December 28th, 1909, addressed, "To the Parties," beginning with the words, "I received information that the 'Sicilian Prince' left New York on the 24th instant," and ending with the words, "246 steeragers at \$24 less \$2."

## Marked Petitioner's Exhibit No. 1,486.



- 3916 Also circular letter, dated Jena, January 3rd, 1910, addressed, "To the Parties," beginning with the words, "The salary for the 2nd half year 1909," and ending with the words, "White Star Line £84.8."

Marked Petitioner's Exhibit No. 1,487.

Also circular letter G. No. 693, dated Jena, January 3rd, 1910, addressed, "To the Parties," beginning with the words, "Arbitration Allan Line New Foundland passengers (G. 683)," and ending with the words, "I take it that the Anchor Line will prepare the reply for the B. L."

Marked Petitioner's Exhibit No. 1,488.

- 3917 Also letter dated Glasgow 9th December, 1909, addressed, "Henry Wilding, Esq., The Moorings, Bassett, Southampton," beginning with the words, "At a Meeting of the North Atlantic Passenger Conference Lines held in London on the 25th of November, 1909," and ending with the words, "if not, we will be pleased to forward some on hearing from you." Signed, "Allan Bros. & Co., U. K. Limited per J. Smith Park, Director."

Marked Petitioner's Exhibit No. 1,489.

- 3918 Also Atlantic Conference Arbitration, beginning with the words, "Claim made by Allan Line, as per Minute 127 London Meeting, 25th November, 1909," and ending with the words, "in pursuance of Atlantic Conference Minute No. 127." Signed, "John Aitchison."

Marked Petitioner's Exhibit No. 1,490.

Also circular letter G. No. 695, dated Jena, January 5th, 1910, addressed, "To the Parties," beginning with the words, "As advised the 'Volturno' left New York on 1st instant with 80 passengers," and ending with the words, "the Volturno had been postponed, also the 'Russia' which got 221 passengers."

## Marked Petitioner's Exhibit No. 1,491.

3919

Also circular letter G. No. 696, dated Jena, January 7th, 1910, addressed, "To the Parties," beginning with the words, "The White Star Line send me copy of a letter from their London city office," and ending with the words, "and will keep you posted as to any further developments that come to our knowledge."

## Marked Petitioner's Exhibit No. 1,492.

Also circular letter G. No. 699, dated Jena, January 11th, 1910, addressed, "To the Parties," beginning with the words, "The White Star Line, Liverpool send me the following account for passengers," and ending with the words "which the parties will please remit to the White Star Line Liverpool." Signed, "H. Peters." 3920

## Marked Petitioner's Exhibit No. 1,493.

Also circular letter G. No. 700, dated Jena, January 11th, 1910, addressed, "To the Parties," beginning with the words, "Compensation for passengers carried at fighting rates by," and ending with the words, "and that they are in accordance with the passenger lists." Signed, "H. Peters."

## Marked Petitioner's Exhibit No. 1,494.

Also circular letter G. No. 701, dated Jena, January 11th, 1910, addressed, "To the Parties," beginning with the words, "Payments to the Russian East Asiatic S. S. Co." and ending with the words, "for transmission to Copenhagen, until advised to the contrary." Signed, "H. Peters." 3921

## Marked Petitioner's Exhibit No. 1,495.

Also circular letter G. No. 706, dated Jena, January 17th, 1910, addressed, "To the Parties," beginning with the words, "Hapag & Lloyd eastbound percentages," and ending with the words, "Norddeutscher Lloyd 18.56%."

3922

Marked Petitioner's Exhibit No. 1,496.

Also circular letter G. No. 707, dated Jena, January 18th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 698)," and ending with the words, "357 steeragers of which were 52 for Halifax."

Marked Petitioner's Exhibit No. 1,497.

3923

Also circular letter G. No. 709, dated Jena, January 20th, 1910, addressed, "To the Parties," beginning with the words, "S. S. 'Napolitan Prince' which sailed on January 8th from Rotterdam," and ending with the words, "The steeragers were composed as follows according to nationality & destination."

Marked Petitioner's Exhibit No. 1,498.

Also circular letter G. No. 710, dated Jena, January 20th, 1910, addressed, "To the Parties," beginning with the words, "Reduced transportation for Alien Charity persons from New York State Board of Charities," and ending with the words, "the danger of provoking restrictions from the Belgian officials."

Marked Petitioner's Exhibit No. 1,499.

3924

Also circular letter G. No. 711, dated Jena, January 20th, 1910, addressed, "To the Parties," beginning with the words, "In G. No. 705 it is said that S. S. Lapland September 11th, 1909 carried 431 adults," and ending with the words, "of which the Parties will please take notice." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,500.

Also circular letter G. No. 712, dated Jena, January 22nd, 1910, addressed, "To the Parties," beginning with the words, "The White Star Line received following letter from their New York office," and ending with the words, "would seem to indicate that they are for the New York trade."

## Marked Petitioner's Exhibit No. 1,501.

3925

Also Annex to G. No. 712, headed "Cut of Steamer," beginning with the words, "Turbine Steamers 'Heliopolis' and 'Cairo' 12,500 tons, 25,000," and ending with the words, "is reported to have recently announced that it is booking this enterprise."

## Marked Petitioner's Exhibit No. 1,502.

Also circular letter G. No. 714, dated Jena, January 25th, 1910, addressed, "To the Parties," beginning with the words, "The 'Uranium' left New York on 22nd instant," and ending with the words, "'Lapland' January 22nd with 417 steeragers at a rate of \$22 less \$2."

2926

## Marked Petitioner's Exhibit No. 1,503.

Also circular letter G. No. 715, dated Jena, January 27th, 1910, addressed, "To the Parties," beginning with the words, "Mr. Wilding has sent the annexed award in regard to the question," and ending with the words, "which pending the present award might not have been accounted for."

## Marked Petitioner's Exhibit No. 1,504.

Also circular letter dated Southampton, January 17th, 1910, headed, "Allan Line—Newfoundland Passengers," beginning with the words, "The question to be decided in this case is whether the expressions," and ending with the words, "that the Allan Line should return them to the Pool." Signed, "Hy. Wilding."

3927

## Marked Petitioner's Exhibit No. 1,505.

Also circular letter G. No. 718, dated Jena, February 3rd, 1910, addressed, "To the Parties," beginning with the words, "The Cie. Gle. Transatlantique write." Signed "H. Peters."

3928

Marked Petitioner's Exhibit No. 1,506.

Also translation of circular letter G. No. 718, dated Jena, February 3rd, 1910, addressed, "To the Parties," beginning with the words, "We have received your circular letter, G. No. 708, relative to the Blue Star Line," and ending with the words, "and keep you informed of what we learn in connection with this matter."

Marked Petitioner's Exhibit No. 1,507.

3929

Also circular letter G. No. 719, dated Jena, February 3rd, 1910, addressed, "To the Parties," beginning with the words, "According to an information which the Holland America Line received," and ending with the words, "company is increasing its sailings from Hamburg."

Marked Petitioner's Exhibit No. 1,508.

Also circular letter G. No. 720, dated Jena, February 4th, 1910, addressed, "To the Parties," beginning with the words, "Compensation for passengers carried at fighting rates," and ending with the words, "Will the Lines also remit the latter amounts to the Norddeutscher Lloyd." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,509.

3930

Also circular letter G. No. 722, dated Jena, February 7, 1910, addressed, "To the Parties," beginning with the words, "The White Star Line write," and ending with the words, "they will no doubt be very glad to do so and I await to hear from them."

Marked Petitioner's Exhibit No. 1,510.

Also circular letter G. No. 723, dated Jena, den 8. February 1910, addressed, "To the Parties," beginning with the words, "Mr. Wilding has sent for the information of the parties copy of a letter received," and ending with the words, "but they were unable to fur-

nish same." Signed, "Allan Bros. & Co. U. K. Limited. per J. Smith Park, Director." 3931

Marked Petitioner's Exhibit No. 1,511.

Also circular letter G. No. 724, dated Jena, February 8th, 1910, addressed, "To the Parties," beginning with the words, "The 'Sicilian Prince' left New York February 6th," and ending with the words, "The outward rate now advertised by the N. W. T. L. is \$28 against \$25 as before."

Marked Petitioner's Exhibit No. 1,512.

Also circular letter G. No. 726, dated Jena, February 10th, 1910, addressed, "To the Parties," beginning with the words, "In pursuance to G. 723 I beg to promulgate the following letter the Allan Line addressed to me on 7th instant," and ending with the words, "the delay in doing so has arisen from Mr. Wilding being from home." 3932

Marked Petitioner's Exhibit No. 1,513.

Also circular letter G. No. 727, dated Jena, February 10th, 1910, addressed, "To the Parties," beginning with the words, "With regard to G. No. 722 the Norddeutscher Lloyd write," and ending with the words, "To the above I beg to add that of the total carryings of the Agreement A. A. & Z. Lines there were British & Scandinavians." 3933

Marked Petitioner's Exhibit No. 1,514.

Also circular letter G. No. 728, dated Jena, February 12th, 1910, addressed, "To the Parties," beginning with the words, "According to Form 35, No. 1 the following payments are to be made for January," and ending with the words, "Cunard Line to White Star Line . . . . . £1.—.—."

Marked Petitioner's Exhibit No. 1,515.

- 3934 Also circular letter G. No. 729, dated Jena, February 12th, 1910, addressed, "To the Parties," beginning with the words, "The Norddeutscher Lloyd write," and ending with the words, "The itinerary referred to the Lines will please find under A. C. printed matter No. 870."

Marked Petitioner's Exhibit No. 1,516.

Also circular letter G. No. 731, dated Jena, February 14th, 1910, addressed, "To the Parties," beginning with the words, "With further reference to G. No. 722 the Red Star Line write," and ending with the words, "and we refer also to Art. 11, Commentary b of Agreement A. A."

3935

Marked Petitioner's Exhibit No. 1,517.

Also circular letter G. No. 733, dated Jena, February 14th, 1910, addressed, "To the Parties," beginning with the words, "Mr. Wilding has sent me copy of the following correspondence between himself and the Allan Line," and ending with the words, "It will save time if you send it direct to me, at the same time sending a copy to Mr. Peters."

Marked Petitioner's Exhibit No. 1,518.

- 3936 Also circular letter G. No. 735, dated, Jena February 17th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 732)," and ending with the words, "The fighting steamer 'Adriatic' got 223 Continentals."

Marked Petitioner's Exhibit No. 1,519.

Also circular letter G. No. 737, dated Jena, February 17th, 1910, addressed, "To the Parties," beginning with the words, "On this subject the Cie. Gle. Transatlantique send yet the following information," and ending with the words, "The S. S. 'Nordamerica' ex 'Stirling Castle' belonged formerly to 'LaVeloce'; she was built 1882."



## Marked Petitioner's Exhibit No. 1,520.

3937

Also translation of circular letter G. No. 737, dated Jena, February 17th, 1910, addressed, "To the Parties," beginning with the words, "Blue Star Line. We have been able to obtain some further information with regard to this company," and ending with the words, "We shall continue to communicate to you all the information which we shall be able to obtain with regard to this new competition."

## Marked Petitioner's Exhibit No. 1,521.

Also circular letter G. No. 739, dated Jena, February 19th, 1910, addressed, "To the Parties," beginning with the words, "The Allan Line have sent me copy of the following letter," and ending with the words, "and should be exempted from payments for such passengers in future." Signed, "Allan Bros. & Co. U. K. Limited per (signed) J. Smith Park, Director."

3938

## Marked Petitioner's Exhibit No. 1,522.

Also circular letter G. No. 742, dated Jena, February 19th, 1910, addressed, "To the Parties," beginning with the words, "On account of their excess in the westbound Pool," and ending with the words "Those of 'Amerika' and 'Kaiserin Auguste Victoria' by 10 marks."

3939

## Marked Petitioner's Exhibit No. 1,523.

Also circular letter, G. No. 743, dated Jena, February 19th, 1910, addressed, "To the Parties," beginning with the words, "With regard to the 'Uranium' the White Star Line received the following letter of 15th instant," and ending with the words, "and it is hoped the steamer will now get away tomorrow afternoon."

## Marked Petitioner's Exhibit No. 1,524.



- 3940 Also circular letter G. No. 744, dated Jena, February, 19th, 1910, addressed "To the Parties," beginning with the words "In reference to the letter of the Allan Line to Mr. Wilding," and ending with the words, "copy of the letter which I received from Mr. Wilding."

Marked Petitioner's Exhibit No. 1,525.

Also circular letter G. No. 745, dated Jena, February 21st, 1910, addressed, "To the Parties," beginning with the words, "Allan Line New Foundland passengers (G. No. 744)," and ending with the words "The Anchor Line will answer for the B. L. if considered desirable."

3941

Marked Petitioner's Exhibit No. 1,526.

Also circular letter G. No. 746, dated Jena, February 21st, 1910, addressed, "To the Parties," beginning with the words "Northwest Transport Line (G. No. 743)," and ending with the words, "one sailing or according to other informations for six months—" Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,527.

- 3942 Also circular letter G. No. 749, dated, Jena, February 22nd, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 746)," and ending with the words, "which reads as per annex herewith."

Marked Petitioner's Exhibit No. 1,528.

Also annex to G. No. 749, headed North West Transport Line, dated New York, February 5th, 1910, addressed, "To our Agents," and ending with the words, "as to third class, with \$3 as minimum commission."

Marked Petitioner's Exhibit No. 1,529.

Also circular letter G. No. 751, dated Jena, February 25th, 1910, addressed, "To the Parties," beginning with the words, "The White Star Line write," and ending with the words, "The circular to which the Nordd. Lloyd refer is the same of which copy is given in G. No. 672." 3943

Marked Petitioner's Exhibit No. 1,530.

Also circular letter G. No. 754, dated Jena, February 26th, 1910, addressed, "To the Parties," beginning with the words, "In reply to circular letter G. No. 731 the Nord Deutscher Lloyd write," and ending with the words, "of the westbound second-class passengers against 1909."

3944

Marked Petitioner's Exhibit No. 1,531.

Also circular letter G. No. 757, dated, Jena, March 1st, 1910, addressed, "To the Parties," beginning with the words, "In pursuance to G. 751 I have received from the White Star Line copies of communication," and ending with the words, "whether it might relate to the Blue Star Line."

Marked Petitioner's Exhibit No. 1,532.

Also circular letter G. No. 760, dated Jena, March 2nd, 1910, addressed, "To the Parties," beginning with the words, "With reference to the Cunard Line's advance of their steerage rate," and ending with the words, "I shall be glad to learn what the Cunard Line has to say." 3945

Marked Petitioner's Exhibit No. 1,533.

Also circular letter G. No. 762, dated Jena, March 7th, 1910, addressed, "To the Parties," beginning with the words "Allan Line New Foundland passengers (G. No. 745)," and ending with the words, "I decide that the Award as made must stand."

Marked Petitioner's Exhibit No. 1,534.

- 3946 Also circular letter G. No. 766, dated Jena, March 9th, 1910, addressed, "To the Parties," beginning with the words, "Measures for adjustment (G. No. 760)," and ending with the words, "they were writing and upon receipt I shall circularize their reply."

Marked Petitioner's Exhibit No. 1,535.

Also circular letter G. No. 770, dated Jena, March 10th, 1910, addressed, "To the Parties," beginning with the words, "Measures for adjustment (G. No. 766)," and ending with the words "to the detriment of the other companies."

Marked Petitioner's Exhibit No. 1,536.

- 3947 Also circular letter G. No. 778, dated Jena, March 16th, 1910, addressed, "To the Parties," beginning with the words, "Allan Line New Foundland passengers (G. No. 762)," and ending with the words, "for you to deal with the question of Newfoundland passengers." Signed, "Allan Bros. & Co. U. K. Limited, per I. Smith Park, director."

Marked Petitioner's Exhibit No. 1,537.

- 3948 Also circular letter G. No. 781, dated Jena, March 18th, 1910, addressed, "To the Parties," beginning with the words "North West Transport Line (G. No. 780)," and ending with the words, "as at first fixed according to G. No. 773 against the 'Campania.'"

Marked Petitioner's Exhibit No. 1,538.

Also circular letter G. No. 788, dated Jena, March 26th, 1910, addressed, "To the Parties," beginning with the words, "The Hamburg Amerika Line received following cable from New York," and ending with the words, "April second from Portland April twenty-third."

Marked Petitioner's Exhibit No. 1,539.

Also circular letter G. No. 790, dated Jena, March 26th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 786)," and ending with the words, "their New York office to fix the rate at \$27 less \$2 commission." 3949

Marked Petitioner's Exhibit No. 1,540.

Also circular letter G. No. 796, dated Jena, April 4th, 1910, addressed, "To the Parties," beginning with the words, "I received the following letter from the Holland-America Line," and ending with the words, "for the perusal of the British Lines who may wish to see it."

Marked Petitioner's Exhibit No. 1,541. 3950

Also circular letter G. No. 797, dated Jena, April 4th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 790)," and ending with the words, "to instruct their New York office to fix the rate at \$27 less \$2 commission."

Marked Petitioner's Exhibit No. 1,542.

Also circular letter G. No. 798, dated Jena, April 5th, 1910, addressed, "To the Parties," beginning with the words "North West Transport Line (G. No. 797)," and ending with the words, "from April second netrate about twenty dollars." 3951

Marked Petitioner's Exhibit No. 1,543.

Also circular letter G. No. 800, dated Jena, April 6th, 1910, addressed, "To the Parties," beginning with the words "North West Transport Line (G. No. 798)" and ending with the words "including 10 deported passengers."

Marked Petitioner's Exhibit No. 1,544.

Also circular letter G. No. 806, dated Jena, April 9th, 1910, addressed, "To the Parties," beginning

- 3952 with the words, "The Holland America Line write," and ending with the words "(opposition steamer) to \$24, less \$2, commission, which please note."

Marked Petitioner's Exhibit No. 1545.

Also circular letter G. No. 808, dated Jena, April 11th, 1910, addressed, "To the Parties," beginning with the words, "Mitrovitz & Bonuschevatz Belgrade (G. No. 789)," and ending with the words, "to the list of disqualified agents."

Marked Petitioner's Exhibit No. 1,546.

- 2953 Also circular letter G. No. 809, dated Jena, April 12th, 1910, addressed, "To the Parties," beginning with the words "Synopsis of Minutes," and ending with the words, "do not come under Agreement AA. I have treated them separately." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,547.

Also annex to G. No. 809.

Marked Petitioner's Exhibit No. 1,548.

Also paper headed, "Additions & Amendments to Agreement 'V'" beginning with the words, "For the following steamers the minimum Ocean rates for first-class passengers."

- 3954 Marked Petitioner's Exhibit No. 1,549.

Also paper headed, "Additions & Amendments to Agreement 'W'" beginning with the words, "For the following steamers the minimum Ocean rates for second-class passengers," and ending with the words "Commission 5% maximum (Minutes 106,125)."

Marked Petitioner's Exhibit No. 1,550.

Also circular letter G. No. 812, dated Jena, April 13th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 780)," and ending with the words "Tuesday, May 31st, S. S. Ryndam, Kronprinz Wilhelm, Kroonland."

## Marked Petitioner's Exhibit No. 1,551.

3955

Also circular letter G. No. 813, dated Jena, April 15th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 807) Thomson Line (G. 801)," and ending with the words, "New York office to fix the rate at \$27 less \$2 commission."

## Marked Petitioner's Exhibit No. 1,552.

Also circular letter G. No. 815, dated Jena, April 16th, 1910, addressed, "To the Parties," beginning with the words "Thomson Line (G. 813)" and ending with the words, "to be able to induce the remainder also to sail in her."

3956

## Marked Petitioner's Exhibit No. 1,553.

Also circular letter G. No. 816, dated Jena, April 18th, 1910, addressed, "To the Parties," beginning with the words, "North West Transport Line (G. No. 813) Thomson Line (G. No. 815)" and ending with the words, "sailed from London to Portland on 16th instant with 700 passengers."

## Marked Petitioner's Exhibit No. 1,554.

Also circular letter G. No. 817, dated Jena, April 20th, 1910, addressed, "To the Parties," beginning with the words "North West Transport Line (G. No. 816)" and ending with the words, "under which auspices this has been done now."

3957

## Marked Petitioner's Exhibit No. 1,555.

Also circular letter G. No. 820, dated Jena, April 21st, 1910, addressed, "To the Parties," beginning with the words, "I beg to send annexed the Agenda for the meeting to be held at Paris, Hotel Majestic, May 5th," and ending with the words, "the names of the gentlemen by whom they will be represented."

## Marked Petitioner's Exhibit No. 1,556.

- 3958 Also agenda, dated Jena, April 21st, 1910, headed, "Atlantic Conference Meeting, Paris, Hotel Majestic, May 5th, 1910, at 10 A. M."

Marked Petitioner's Exhibit No. 1,557.

Also circular letter G. No. 824, dated Jena, April 29th, 1910, addressed, "To the Parties," beginning with the words, "The Holland America Line write," and ending with the words, "to instruct their New York office to fix the rate at \$27 less \$2 commission."

Marked Petitioner's Exhibit No. 1,558.

- 3959 Also circular letter dated Jena, April 30th, 1910, addressed, "To the Parties," beginning with the words, "Regulations of Continental Lines' rates," and ending with the words, "without need of altering anything in respect of the existing rules."

Marked Petitioner's Exhibit No. 1,559.

Also paper headed, "We beg to refer to Minute No. 129, reading," beginning with the words, "A proposal of the Continental Lines to be at liberty to reduce their rates," and ending with the words, "will not reduce their rates if it can possibly be avoided."

Marked Petitioner's Exhibit No. 1,560.

- 3960 Also circular letter G. No. 826, dated Jena, April 30th, 1910, addressed, "To the Parties," beginning with the words "Paris meeting, May 5th, 1910 (G. No. 820)," ending with the words "of the A. C. Lines who will attend the meeting."

Marked Petitioner's Exhibit No. 1,561.

Also paper headed, "List of gentlemen who will be present at the A. C. Meeting at Paris, Hotel Majestic, May 5th, 1910."

Marked Petitioner's Exhibit No. 1,562.

Also circular letter G. No. 828, dated Jena, May 2nd, 1910, addressed, "To the Parties," beginning with

the words "Uranium S. S. Co. Ltd. (G. No. 823)" and ending with the words "a steamer will be despatched from Rotterdam fortnightly." Signed, "H. Peters." 3961

Marked Petitioner's Exhibit No. 1,563.

Also circular letter G. No. 829, dated Jena, May 3rd, 1910, addressed, "To the Parties," beginning with the words, "The Hamburg America Line inform me of their following New York cable," and ending with the words, "We have asked the American Line to instruct their New York office to fix the rate at \$27 less \$2 commission."

Marked Petitioner's Exhibit No. 1,564. 3962

Also circular letter G. No. 830, dated Jena, May 7th, 1910, addressed, "To the Parties," beginning with the words, "I herewith beg to send copies of minutes of the meeting at Paris on May 5th, 1910," and ending with the words, "westbound agreement dated London, March 3rd, 1910." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,565.

Also annex to G. No. 830, dated London, March 3rd, 1910, headed, "Agreement for Eastbound Steerage Business."

Marked Petitioner's Exhibit No. 1,566.

Also paper dated Jena, April 21st, 1910, headed Atlantic Conference Meeting, Paris, Hotel Majestic, May 5th, 1910, at 10 A. M., Agenda." 3963

Marked Petitioner's Exhibit No. 1,567.

Also circular letter G. No. 836, dated Jena, May 11th, 1910, addressed, "To the Parties," beginning with the words, "Regulations to N. A. P. C. Agents," and ending with the words, "I shall be obliged for a reply from the British Lines."

Marked Petitioner's Exhibit No. 1,568.



- 3964 Also circular letter G. No. 838, dated Jena, May 13th, 1910, addressed, "To the Parties," beginning with the words, "Eastbound Agreement with Scandinavian American Line," and ending with the words, "as agreed to in Minute 63 and for the amount of £3940—."

Marked Petitioner's Exhibit No. 1,569.

Also circular letter G. No. 839, dated Jena, May 14th, 1910, addressed, "To the Parties," beginning with the words, "Uranium S. S. Co. (G. No. 837)," and ending with the words, "We have asked the American Line to instruct their New York office to fix the rate at \$27 less \$2 commission."

3965

Marked Petitioner's Exhibit No. 1,570.

Also circular letter G. No. 840, dated Jena, May 14th, 1910, addressed, "To the Parties," beginning with the words, "Mr. Ed Strasser writes," and ending with the words, "I thought it well to warn the A. C. Lines of this."

Marked Petitioner's Exhibit No. 1,571.

Also circular letter G. No. 842, dated Jena, May 14th, 1910, addressed, "To the Parties," beginning with the words, "With reference to G. No. 836 I received the following letter" and ending with the words, "for use at our own discretion amongst our British agents."

3966

Marked Petitioner's Exhibit No. 1,572.

Also circular letter G. No. 843, dated Jena, May 18th, 1910, addressed, "To the Parties," beginning with the words, "Compensation for fighting rates and Scandinavian American Line," and ending with the words, "Thursday, June 30th, Prinz Friedrich Wilhelm." Signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,573.

Also circular letter G. No. 844, dated Jena, May 20th, 1910, addressed, "To the Parties," beginning with the words, "Uranium S. S. Co. Ltd. (G. No. 839)" and ending with the words, "for her were forwarded to Bristol to join the 'Royal Edward.' "

3967

Marked Petitioner's Exhibit No. 1,574.

Also circular letter G. No. 854, dated Jena, May 30th, 1910, addressed, "To the Parties," beginning with the words, "The Holland-American Line have appointed the," and ending with the words, "The rate for the 'George Washington' is \$27 less \$2 commission."

Marked Petitioner's Exhibit No. 1,575.

3968

Also circular letter G. No. 857, dated Jena, May 31st, 1910, addressed, "To the Parties," beginning with the words, "I am informed that these last days Mr. Boas, resident director of the Hamburg-American Line," and ending with the words, "Mr. Boas was enjoined to lay before the grand jury all pooling agreements."

Marked Petitioner's Exhibit No. 1,576.

Also circular letter G. No. 860, dated Jena, June 6th, 1910, addressed, "To the Parties," beginning with the words "The White Star-Dominion Canadian Service write," and ending with the words, "We have not particulars of the nationalities of the Continental passengers."

3969

Marked Petitioner's Exhibit No. 1,577.

Also circular letter G. No. 861, dated Jena, June 7th, 1910, addressed, "To the Parties," beginning with the words "Thomson Line (G. No. 848)," and ending with the words, "which is expected to leave London on the 21st June."

Marked Petitioner's Exhibit No. 1,578.

- 3970 Also circular letter G. No. 862, dated Jena, June 7th, 1910, addressed, "To the Parties," beginning with the words "Revision of By-laws (G. No. 845)" and ending with the words, "differences of opinion or arbitration they retain their validity without reserve."

Marked Petitioner's Exhibit No. 1,579.

Also circular letter G. No. 868, dated Jena, June 10th, 1910, addressed, "To the Parties," beginning with the words, "Uranium S. S. Co. Ltd. (G. No. 854)," and ending with the words "(opposition steamer) to \$24 less \$2 commission, which please note."

3971

Marked Petitioner's Exhibit No. 1,580.

Also circular letter G. No. 873, dated Jena, June 13th, 1910, addressed, "To the Parties," beginning with the words, "According to another report the 'Campania' from New York, June 9th," and ending with the words, "the competing S. S. 'George Washington' sailed with 1005 steeragers at \$27 and \$24 less \$2."

Marked Petitioner's Exhibit No. 1,581.

- 3972 Also circular letter G. No. 877, dated Jena, June 16th, 1910, addressed, "To the Parties," beginning with the words, "The Holland America Line have appointed in opposition," and ending with the words, "the rate has been fixed at \$27 less \$2 commission."

Marked Petitioner's Exhibit No. 1,582.

Also circular letter dated Jena, June 29th, 1910, addressed, "Anchor Line, Cunard Line, White Star Line, Royal Line," and beginning with the words, "I beg to confirm my yesterday's telegram reading," and ending with the words, "The parties having consented I telegraphed today: 'Meeting eleventh July Savoy Hotel London agreed,' which I beg to confirm."

Marked Petitioner's Exhibit No. 1,583.

3973

Also circular letter dated Jena, July 14th, 1910, addressed, "Anchor Line, Cunard Line, White Star Line, Royal Line & Uranium S. S. Co." beginning with the words, "Attached hereto I beg to send copies of the resolution passed at the meeting on the 11th instant," and ending with the words, "and shall communicate their reply as soon as it is at hand."

Marked Petitioner's Exhibit No. 1,584.

Also a circular letter G. No. 913, dated Jena, July 18th, 1910, addressed, "To the Parties," beginning with the words, "The Holland America Line," and ending with the words, "Less \$2 commission."

2974

Marked Petitioner's Exhibit No. 1,585.

Also a circular letter dated Jena, July 20th, 1910, addressed "Anchor Line, Cunard Line, White Star Line" beginning with the words, "In the minute sent," and ending with the words, "it in their copies."

Marked Petitioner's Exhibit No. 1,586.

Also a circular letter dated Jena, July 21st, 1910, G. No. 916, addressed, "To the Parties" beginning with the words, "The rate for the 'Campania' 21st" and ending with the words, "less \$2."

Marked Petitioner's Exhibit No. 1,587.

3975

Also a circular letter G. No. 922, dated Jena, July 28th, 1910, addressed, "To the Parties," beginning with the words "The Holland America Line write," and ending with the words, "less \$2. commission."

Marked Petitioner's Exhibit No. 1,588.

Also circular letter G. No. 927, dated Jena, August 1, 1910, addressed, "To the Parties," beginning with the words, "The following is a complete sailing list," and ending with the words "Pennsylvania, Teutonic, Mauretania."

3976 Marked Petitioner's Exhibit No. 1,589.

Also circular letter G. No. 930, dated Jena, August 3rd, 1910, addressed, "To the Parties," beginning with the words "The Holland America Line write" and ending with the words, "which please note."

Marked Petitioner's Exhibit No. 1,590.

Also circular letter G. No. 931, dated Jena, August 4th, 1910, addressed, "To the Parties," beginning with the words, "With regard to circular letter," and ending with the words, "is not maintained in the front."

Marked Petitioner's Exhibit No. 1,591.

3977 Also circular letter G. No. 932, dated Jena, August 4th, 1910, addressed, "To the Parties," beginning with the words "S. S. 'Campania'" and ending with the words, "less \$2 commission."

Marked Petitioner's Exhibit No. 1,592.

Also circular letter G. No. 935, dated Jena, August 6th, 1910, addressed, "To the Parties," beginning with the words, "According to a Hapag cable," and ending with the words "left New York with 375 steeragers."

Marked Petitioner's Exhibit No. 1,593.

3978 Also circular letter G. No. 936, dated Jena, August 8th, 1910, addressed, "To the Parties," beginning with the words, "From July 23rd to," and ending with the words "the Thomson Line."

Marked Petitioner's Exhibit No. 1,594.

Also circular letter G. No. 937, dated Jena, August 8th, 1910, addressed, "To the Parties," beginning with the words, "From July 24th to August," and ending with the words, "130 I Class Passengers."

Marked Petitioner's Exhibit No. 1,595.

Also circular letter G. No. 941, dated Jena, August 11th, 1910, addressed, "To the Parties," beginning

with the words "The Holland America Line" and ending with the words "with \$2 commission." 3979

Marked Petitioner's Exhibit No. 1,596.

Also circular letter G. No. 946, dated Jena, August 15th, 1910, addressed, "To the Parties," beginning with the words, "With regard to," and ending with the words "of which 154 for Halifax."

Marked Petitioner's Exhibit No. 1,597.

Also circular letter G. No. 947, dated Jena, August 16th, 1910, addressed, "To the Parties," beginning with the words, "With regard to G. No. 931 the" and ending with the words, "to discuss this special case any further." 3980

Marked Petitioner's Exhibit No. 1,598.

Also circular letter G. No. 948, dated Jena, August 16th, 1910, addressed "To the Parties," beginning with the words "White Star Line write," and ending with the words, "done so some time ago."

Marked Petitioner's Exhibit No. 1,599.

Also circular letter G. No. 949, dated Jena, August 16th, 1910, addressed, "To the Parties," beginning with the words "Last night I received," and ending with the words "as Empress steamers."

Marked Petitioner's Exhibit No. 1,600. 3981

Also circular letter G. No. 950, dated Jena, August 17th, 1910, addressed, "To the Parties," beginning with the words, "With regard to G. No. 946," and ending with the words, "been reduced to \$22."

Marked Petitioner's Exhibit No. 1,601.

Also circular letter G. No. 953, dated Jena, August 19th, 1910, addressed "To the Parties," beginning with the words "The Hamburg Amerika Linie," and ending with the words, "of the 'Voluturno.'"

3982

Marked Petitioner's Exhibit No. 1,602.

Also circular letter G. No. 959, dated Jena, August 25th, addressed "To the Parties," beginning with the words, "The Holland America Line," and ending with the words, "less \$2 commission."

Marked Petitioner's Exhibit No. 1,603.

Also circular letter G. No. 964, addressed "To the Parties" dated Jena, August 29th, 1910, beginning with the words, "With regard to G. No. 959," and ending with the words, "commission to \$24 less \$2 commission."

3983

Marked Petitioner's Exhibit No. 1,604.

Also circular letter G. No. 966 addressed, "To the Parties," dated Jena, August 30th, 1910, beginning with the words "The 'Frankfurter Zeitung' received," and ending with the words "Yard of Schichau, Danzig, in 1898."

Marked Petitioner's Exhibit No. 1,605.

Also circular letter G. No. 971, dated Jena, September 6th, 1910, addressed, "To the Parties," beginning with the words, "Enclosed I beg to send," and ending with the words, "has obtained the cipher C. C."

Marked Petitioner's Exhibit No. 1,606.

3984

Also circular letter G. No. 977, dated Jena, September 9th, 1910, addressed, "To the Parties," beginning with the words, "The Holland-America Line," and ending with the words "less \$2 commission."

Marked Petitioner's Exhibit No. 1,607.

Also circular letter G. No. 978, dated Jena, den 10, September, 1910, addressed, "To the Parties," beginning with the words, "With regard to the application," and ending with the words "of the Continental Lines."

Marked Petitioner's Exhibit No. 1,608.

Also circular letter G. No. 979, dated Jena, September 12th, 1910, addressed, "To the Parties," beginning with the words, "With reference to G. No. 977," and ending with the words "less \$2 commission." 3985

Marked Petitioner's Exhibit No. 1,609.

Also circular letter G. No. 980, dated Jena, September 15th, 1910, addressed, "To the Parties," beginning with the words, "I beg to submit the following," and ending with the words "advised of it until 22nd instant."

Marked Petitioner's Exhibit No. 1,610.

Also circular letter G. No. 982, dated Jena, September 15th, 1910, addressed, "To the Parties," beginning with the words, "The Holland Amerika Line," and ending with the words, "less \$2 commission." 3986

Marked Petitioner's Exhibit No. 1,611.

Also circular letter G. No. 983, dated Jena, September 16th, 1910, addressed "To the Parties," beginning with the words, "The 'Campania' which left," and ending with the words "changed to 'Campanello.' "

Marked Petitioner's Exhibit No. 1,612.

Also circular letter G. No. 985, dated Jena, September 19th, 1910, addressed, "To the Parties," beginning with the words, "Messrs. Ismay, Imrie & Co., write," and ending with the words "agenda of the next meeting." 3987

Marked Petitioner's Exhibit No. 1,613.

Also circular letter G. No. 987, dated Jena, September 21st, 1910, addressed, "To the Parties," beginning with the words, "With reference to the agreement with the Royal," and ending with the words, "this method is correct and whether it may be adhered to."

Marked Petitioner's Exhibit No. 1,614.



- 3988 Also circular letter G. No. 988, dated Jena, September 22nd, 1910, addressed "To the Parties," beginning with the words, "With regard to the telegram," and ending with the words "North America is increasing."

Marked Petitioner's Exhibit No. 1,615.

Also circular letter G. No. 991, dated Jena, September 24th, 1910, addressed, "To the Parties," beginning with the words, "No objection having been raised," and ending with the words, "to receive until October 1st."

Marked Petitioner's Exhibit No. 1,616.

- 3989 Also circular letter G. No. 994, dated Jena, September 24th, 1910, addressed, "To the Parties," beginning with the words "The Hamburg America Line submit the following bill," and ending with the words, "Hamburg America Line."

Marked Petitioner's Exhibit No. 1,617.

Also circular letter G. No. 995, dated Jena, September 26th, 1910, addressed, "To the Parties," beginning with the words, "With reference," and ending with the words "both with \$2 commission."

Marked Petitioner's Exhibit No. 1,618.

- 3990 Also circular letter G. No. 996, dated Jena, September 27th, 1910, addressed, "To the Parties," beginning with the words, "Annexed hereto I beg," and ending with the words "next meeting as requested."

Marked Petitioner's Exhibit No. 1,619.

Also circular letter G. No. 996 annex, commencing with the words "Letter of the Allan Line, dated 21st inst." and ending with the words "to advance second-class rates further without affecting the first class."

Marked Petitioner's Exhibit No. 1,620.

Also circular letter G. No. 998, dated Jena, September 29th, 1910, addressed, "To the Parties," beginning

with the words, "I beg to refer to G. No. 995" and ending with the words "of which 27 were deported passengers." 3991

Marked Petitioner's Exhibit No. 1,621.

Also circular letter G. No. 1,000, dated Jena, September 30th, 1910, addressed "To the Parties," beginning with the words, "I beg to promulgate the following letter of," and ending with the words "subject on the Agenda of the November meeting," and signed, "H. Peters."

Marked Petitioner's Exhibit No. 1,622.

Also circular letter G. No. 1,002, dated Jena, October 1st, 1910, addressed, "To the Parties," beginning with the words "For completion of," and ending with the words "in second-class rates." 3992

Marked Petitioner's Exhibit No. 1,623.

Also circular letter G. No. 1003, dated Jena, October 3rd, 1910, addressed, "To the Parties," beginning with the words, "In reply to G. 991 the," and ending with the words "get the minute printed so," and signed "H. Peters."

Marked Petitioner's Exhibit No. 1,624.

Also circular letter G. No. 1,006, dated Jena, October 5th, 1910, addressed, "To the Parties," beginning with the words "The 'Frankfurter Zeitung' received," and ending with the words, "been moved into the distant future." 3993

Marked Petitioner's Exhibit No. 1,625.

Also circular letter G. No. 1009, dated Jena, October 7th, 1910, addressed, "To the Parties," beginning with the words "The White Star Line send me," and ending with the words "to the lines of the other conferences."

Marked Petitioner's Exhibit No. 1,626.

- 3994 Also circular letter G. No. 1,013, dated Jena, October 8th, 1910, addressed, "To the Parties," beginning with the words "The Hamburg Amerika Linie write," and ending with the words "suggest to impose on this firm."

Marked Petitioner's Exhibit No. 1,627.

Also circular letter G. No. 1,015, dated Jena, October 14th, 1910, addressed, "To the Parties," beginning with the words "On the question the parties," and ending with the words "of supplying tonnage to a new competition."

Marked Petitioner's Exhibit No. 1,628.

- 3995 Also circular letter G. No. 1,018, dated Jena, October 15th, 1910, addressed, "To the Parties," beginning with the words "The Russian America Line write," and ending with the words "to let me have their views."

Marked Petitioner's Exhibit No. 1,629.

Also circular letter G. No. 1,020, dated Jena, October 18th, 1910, addressed, "To the Parties," beginning with the words "SS. Celtic April 23rd," and ending with the words, "the above amounts to the lines named," and signed "H. Peters."

Marked Petitioner's Exhibit No. 1,630.

- 3996 Also circular letter G. No. 1,024, dated Jena, October 19th, 1910, addressed, "To the Parties," beginning with the words "The Norddeutscher Lloyd write," and ending with the words, "from the general rule."

Marked Petitioner's Exhibit No. 1,631.

Also circular letter G. No. 1,028, dated Jena, October 22nd, 1910, addressed, "To the Parties," beginning with the words, "The Holland America Line write," and ending with the words, "they agree to the proposed disqualifications."

Marked Petitioner's Exhibit No. 1,632.

3997

Also circular letter G. No. 1,034, dated Jena, October 27th, 1910, addressed, "To the Parties," beginning with the words "I beg to inform the parties," and ending with the words "at next opportunity."

Marked Petitioner's Exhibit No. 1,633.

Also circular letter G. No. 1,037, dated Jena, November 3rd, 1910, addressed, "To the Parties," beginning with the words, "The Holland-American Line write on November 1st," and ending with the words "less \$2 commission."

Marked Petitioner's Exhibit No. 1,634.

2998

Also circular letter G. No. 1,047, dated Jena, November 9th, 1910, addressed, "To the Parties," beginning with the words, "I beg to communicate that the following," and ending with the words "what other subjects they wish to have placed on the agenda."

Marked Petitioner's Exhibit No. 1,635.

Also circular letter G. No. 1,050 dated Jena, November 12th, 1910, addressed, "To the Parties," beginning with the words, "The proposal of the," and ending with the words "usual for distribution amongst the lines."

Marked Petitioner's Exhibit No. 1,636.

3999

Also circular letter G. No. 1,052, dated Jena, November 14th, 1910, addressed, "To the Parties," beginning with the words, "If I do not hear from the parties," and ending with the words, "will be held on this date."

Marked Petitioner's Exhibit No. 1,637.

Also circular letter G. No. 1,057 dated Jena, November 18th, 1910, addressed "To the Parties," beginning with the words, "I beg to promulgate," and ending

- 4000 with the words "third-class traffic," and signed "Scott Griffin, Manager."

Marked Petitioner's Exhibit No. 1,638.

Also circular letter G. No. 1,060, dated Jena, November 19th, 1910, addressed, "To the Parties," beginning with the words, "I beg to communicate the following," and ending with the words "steamers to thirty-five dollars."

Marked Petitioner's Exhibit No. 1,639.

- 4001 Also circular letter G. No. 1,063, dated Jena, November 21st, 1910, addressed, "To the Parties," beginning with the words "With reference" and ending with the words, "on 19th instant."

Marked Petitioner's Exhibit No. 1,640.

Also "Supplement" to the agenda of London meeting November 24th, 1910, dated Jena, 21st November, 1910, beginning with the figures and words "10 Lloyd's eastbound" and ending with the words "(White Star)."

Marked Petitioner's Exhibit No. 1,641.

- 4002 Also circular letter G. No. 1,064, dated Jena, November 24th, 1910, addressed "To the Parties," beginning with the words "Referring to circular letter G. No. 1,056" and ending with the words "Total 490," and signed "H. Peters."

Marked Petitioner's Exhibit No. 1,642.

Also circular letter G. No. 1,077, dated Jena, December 3rd, 1910, addressed, "To the Parties," beginning with the words, "The Holland-America Line have selected," and ending with the words "with \$2 commission."

Marked Petitioner's Exhibit No. 1,643.

Also circular G. No. 1,086, dated, Jena, December 10th, 1910, addressed, "To the Parties," beginning

with the words "The Continental Lines propose," and ending with the words "inform me of what their rates will be." 4003

Marked Petitioner's Exhibit No. 1,644.

Also circular G. No. 1,090, dated Jena, December 17th, 1910, addressed, "To the Parties," beginning with the words "The Russian American Line," and ending with the words, "Will the parties please let me have their views."

Marked Petitioner's Exhibit No. 1,645.

Also circular G. No. 1,098A, dated Jena, December 29th, 1910, addressed, "To the Parties," beginning with the words, "The Scandinavian American Line have," and ending with the words, "I shall be obliged for remittance." 4004

Marked Petitioner's Exhibit No. 1,646.

Also circular G. No. 1,100, dated Jena, December 30th, 1910, addressed, "To the Parties," beginning with the words, "Compensation for fighting steamers," and ending with the words "Skand. American Line \* \* \* \$2404.50"

Marked Petitioner's Exhibit No. 1,647.

Also circular letter G. No. 1,103 dated Jena, December 31st, 1910, addressed, "To the Parties," beginning with the words, "The Holland America Line inform me," and ending with the words, "less \$2 commission." 4005

Marked Petitioner's Exhibit No. 1,648.

Mr. Guiler: I offer further in evidence certain letters of the Hamburg-American Line to the Hamburg-American Line in New York and vice versa, as follows:

Letter dated March 10th, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line,

- 4006 New York. Beginning with the words, "We beg to refer to our cable of yesterday," and ending with the words, "what position the pool lines eventually will take to meet this new competition."

Marked Petitioner's Exhibit No. 1,649.

Also letter dated April 8th, 1908, to Hamburg American Line, Hamburg from Hamburg-American Line, New York. Beginning with the words "We acknowledge the receipt of your favor," and ending with the words "or to force the rates downward as far as possible."

Marked Petitioner's Exhibit No. 1,650.

- 4007 Also letter dated April 14th, 1908, to Hamburg American Line, Hamburg from Hamburg American Line, New York. Beginning with the words, "Referring to our cable of yesterday," and ending with the words, "competition with the Russian Volunteer Fleet on the same posters."

Marked Petitioner's Exhibit No. 1,651.

- 4008 Also letter dated April 22nd, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line, New York. Beginning with the words, "We beg to report that the S/S Kherson of the Volunteer fleet sailed today," and ending with the words "and for the S/S President Lincoln sailing on the 25th inst."

Marked Petitioner's Exhibit No. 1,652.

Also letter dated, April 24th, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line, New York. Beginning with the words, "We have taken aboard the Kaiserin Auguste Victoria," and ending with the words "and if there is any change we shall again cable."

Marked Petitioner's Exhibit No. 1,653.

Also letter dated, May 1st, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "We have accepted for tomorrow's sailing of the S/S President Grant," and ending with the words "20% of Continental passengers." 4009

Marked Petitioner's Exhibit No. 1654.

Also letter dated, May 4th, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "We confirm our respects of May 1st," and ending with the words "mentioned on the opening part of this letter, we remain." 4010

Marked Petitioner's Exhibit No. 1,655.

Also letter dated, May 12th, 1908, to Hamburg American Line, Hamburg, from Hamburg American Line, New York. Beginning with the words, "We confirm our respects of May 6th," and ending with the words "who went aboard the Jelunga."

Marked Petitioner's Exhibit No. 1,656.

Also letter dated, "February 11th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York. Beginning with the words, "In conjunction with our cable of this day," and ending with the words, "to gather any large number of passengers for the steamer." 4011

Marked Petitioner's Exhibit No. 1,657.

Also letter dated March 1st, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words "In conjunction with our cable of this date," and ending with the words "we shall keep you promptly informed."

Marked Petitioner's Exhibit No. 1,658.

Also letter dated, September 28th, 1909, to Hamburg American Line, Hamburg, from Hamburg



- 4012 American Line, New York, beginning with the words "The above line's S/S Neapolitan Prince arrived on the 16th inst." and ending with the words, "booked at a rate of \$24, commission \$2."

Marked Petitioner's Exhibit No. 1659.

Also letter dated, October 11th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "Steamer Volturno arrived here October 3rd," and ending with the words "carried 425 steerage passengers."

Marked Petitioner's Exhibit No. 1,660.

- 4013 Also letter dated, October 15th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words "In conjunction with our respects of the 11th inst." and ending with the words, "4 in the cabin and 202 in the steerage."

Marked Petitioner's Exhibit No. 1,661.

Also letter dated, "October 25th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "In conjunction with our exchange of cables on the 23rd inst." and ending with the words, "upon which a commission of \$5 was allowed."

4014

Marked Petitioner's Exhibit No. 1,662.

Also letter dated, "October 29th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "In conjunction with our cable of the 25th inst." and ending with the words, "obtained 568 steerage passengers at the rate of \$24, commission \$2."

Marked Petitioner's Exhibit No. 1,663.

Also letter dated, November 12th, 1909, to Hamburg American Line, Hamburg, from Hamburg American

Line, New York, beginning with the words, "In conjunction with your cabled query of yesterday and our reply thereto," and ending with the words "being accounted for to you accordingly." 4015

Marked Petitioner's Exhibit No. 1,664.

Also letter dated, December 7th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, N. Y., beginning with the words, "We refer to our cable of yesterday," and ending with the words "Rate \$24, minus \$2."

Marked Petitioner's Exhibit No. 1,665.

Also letter dated, December 21st, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words "S/S Napoleon Prince of the above line arrived here" and ending with the words, "which are presumably correct." 4016

Marked Petitioner's Exhibit No. 1,666.

Also letter dated, December 28th, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words "S/S Volturno of the above line was scheduled to sail from this port," and ending with the words, "We wish to make you acquainted with the exceptional circumstances in this case, and sign."

Marked Petitioner's Exhibit No. 1,667. 4017

Also letter dated December 31st, 1909, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "S/S Sicilian Prince of the above line," and ending with the words "at the rate of \$24, minus \$2."

Marked Petitioner's Exhibit No. 1668."

Also letter dated, January 5th, 1910, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "In con-

1339

- 4018 junction with our cable of yesterday," and ending with the words "carried 221 passengers, rate \$22, minus \$2."

Marked Petitioner's Exhibit No. 1,669.

Also letter dated January 17th, 1910, to Hamburg American Line, Hamburg, from Hamburg American Line, New York. Beginning with the words, "Pitted against S/S Uranium of the above line," and ending with the words "as third competing steamer at the rate of \$22 minus \$2.00 into competition."

Marked Petitioner's Exhibit No. 1,670.

- 4019 Also letter dated January 25th, 1910, to Hamburg American Line, Hamburg, from Hamburg American Line, New York, beginning with the words, "Referring to our respects of the 17th," and ending with the words "aboard the Kronprinz Wilhelm, sailing today."

Marked Petitioner's Exhibit No. 1,671.

Also letter dated February 1st, 1910, addressed "Hamburg American Line (Passenger Department), Hamburg, beginning with the words "Re North West Transport Line," ending with the words "sent to Mr. Ohrt directly several days ago" and signed "Hamburg American Line, per E. Lederer."

4020

Marked Petitioner's Exhibit No. 1,672.

Also letter dated February 8th, 1910, addressed "Hamburg American Line (Passenger Department), Hamburg," beginning with the words, "Re North West Transport Line," ending with the words, "she sailed from this port on February 5th," and signed "Hamburg American Line, per E. Lederer."

Marked Petitioner's Exhibit No. 1,673.

Also letter dated March 16th, 1910, addressed "Hamburg American Line (Passenger Department),

Hamburg," beginning with the words "*Re* North West Transport Line," ending with the words, "rate being in force but one day," and signed, "Hamburg American Line, per E. Lederer." 4021

Marked Petitioner's Exhibit No. 1,674.

Also letter dated March 21st, 1910, addressed "Hamburg American Line (Passenger Department), Hamburg," beginning with the words "*Re* North West Transport Line," ending with the words "to the collector of the Port for his judgment and signed "Hamburg American Line, per E. Lederer."

Marked Petitioner's Exhibit No. 1,675.

Also letter dated March 22nd, 1910, addressed "Hamburg American Line, Hamburg," beginning with the words "*Re* North West Transport Line," ending with the words "Minus \$2" and signed Hamburg American Line per E. Lederer. 4022

Marker Petitioner's Exhibit No. 1,676.

Also letter dated April 5th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words, "*Re* North West Transport Line," ending with the words "also sailing from here on the 2nd," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,677.

Also translation of letter dated April 12th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "minus \$2," and signed Hamburg American Line, per E. Lederer. 4023

Marked Petitioner's Exhibit No. 1,678.

Also translation of letter dated May 3rd, 1910, addressed Hamburg American Line, Hamburg, beginning with the words, "*Re* North West Transport Line,"

- 4024 ending with the words "minus \$2.00" and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,679.

Also translation of letter dated May 12th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line" ending with the words "Minus \$2," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,680.

- 4025 Also translation of letter dated May 27th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "Rate \$24 minus \$2," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,681.

Also translation of letter dated June 13th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "at the regular rate of \$40," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,682.

- 4026 Also translation of letter dated July 11th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line" ending with the words "minus \$2" and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,683.

Also translation of letter dated July 11th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "Referring to our exchange of cable of the 8th inst." ending with the words "carried competitive rates" and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,684.

Also translation of letter dated July 22nd, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "minus \$2" and signed Hamburg American Line, per E. Lederer. 4027

Marker Petitioner's Exhibit No. 1,685.

Also translation of letter dated August 5th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "sailing on the 6th inst." and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,686.

Also translation of letter dated September 16th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "commission \$2" and signed Hamburg American Line, per E. Lederer. 4028

Marked Petitioner's Exhibit No. 1,687.

Also translation of letter dated October 13th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "sailing from here today," and signed Hamburg American Line, per H. Doblin.

Marked Petitioner's Exhibit No. 1,688. 4029

Also translation of letter dated October 14th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "minus \$2," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,689.

Also translation of letter dated October 31st, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line,"

- 4030 ending with the words "minus \$2," and signed Hamburg American Line, per H. Doblin.

Marked Petitioner's Exhibit No. 1,690.

Also translation of letter dated November 14th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "Steamer Volturmo of the above line arrived here," ending with the words "by us for the Pennsylvania sailing November 12th," and signed Hamburg American Line, per H. Doblin.

Marked Petitioner's Exhibit No. 1,691.

- 4031 Also translation of letter dated November 28th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "sailing November 26th from this port," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,692.

Also translation of letter dated December 12th, 1910, addressed Hamburg American Line, Hamburg, beginning with the words "*Re* North West Transport Line," ending with the words "and 500 aboard the Lapland, sailing December 10th," and signed Hamburg American Line, per E. Lederer.

Marked Petitioner's Exhibit No. 1,693.

4032

Mr. Guiler: I also offer certain cables from the Hamburg-American Line to the Hamburg-American Line New York, and from the Hamburg-American Line, New York, to the Hamburg-American Line, Hamburg, as follows:

Cable dated, New York, January 2nd, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words "Issued circular fixing prepared steerage rates," and ending with the words "Deutschland \$34. Others \$28 IIIId class \$33."



## Marked Petitioner's Exhibit No. 1,694.

4033

Also cable dated New York, January 6th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "American Line White Star Line quote steerage eastbound rates," and ending with the words "British Steerage Eastbound Rate Cunard Line will follow."

Also cable dated New York, January 7th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Cunard Line New York and Boston services reduced steerage outward rate," and ending with the words, "All steamers to twenty-eight Dollars Fiume service \$31." 4034

Also cable dated New York, January 8th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Cunard Line New York and Boston Services Reduced Prepaid Rates," and ending with the words, "Basel \$30 White Star Boston Hamburg \$25.50 Bremen \$27.50."

Also cable dated New York, January 9th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words "Cunard Line Reduced Outward Rates" and ending with the words "What Scandinavian Outward Rates Shall We Adopt." 4035

## Marked Petitioner's Exhibit No. 1,695.

Also cable dated New York, January 10th 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Beginning with the words, "White Star Line American Line Further Reduced British Outward Rates \$22.50," and ending with the words "Thereby quoting Below Our Hamburg Outward Steerage Rates."



4036 Also cable dated New York, January 11th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "White Star Line Boston New York Services Reduced," and ending with the words "From Libau \$27.50 Hamburg \$25.50."

Also cable dated New York, January 11th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "We Have Reduced Scandinavian Outward Rates," and ending with the words "Will Doubtless Seriously Injure Our Business."

4037 Also cable dated New York, January 13th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "American Line White Star Line Reduced British Steerage Outward Rates," and ending with the words, "Reduced Libau Steerage Prepaid Rates \$27.50."

Marked Petitioner's Exhibit No. 1696.

Also cable dated New York, February 3rd, 1908, from Hamburg-American Line, to New York, to Hamburg-American Line, Hamburg. Beginning with the words, "Russian Lines Reduced Steerage Outward Rates" and ending with the words, "Commission \$3 to \$5."

4038 Also cable dated New York, January 14th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "White Star Reduced British Steerage Outward Rates," and ending with the words, "Cunard Umbria Etruria \$17.50."

Marked Petitioner's Exhibit No. 1,697.

Also cable dated New York, January 15th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Moskwa Sailed today 11 Cabin 1140 steerage."

Also cable dated New York, January 20th, 1908 4039  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "American Line Philadelphia Service Now Quotes British Steerage Prepaid Rate \$20," and ending with the words, "Boston reduced British Steerage Outward Rate \$15."

Marked Petitioner's Exhibit No. 1,698.

Also cable dated New York, January 21st, 1908,  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Saint Paul Saturday Besides Figures Cabled Yesterday," and ending with the words, "Will Also Transfer Overflow To Samland." 4040

Also cable dated New York, January 29th, 1908  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows:  
 "Petersburg Sailed Today 4 Cabin 813 Steerage."

Also cable dated New York, February 10th, 1908  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "British Lines Scandinavian Outward Rates," and ending with the words, "We Adopt For Deutschland."

Also cable dated New York, February 18th, 1908 4041  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "All British Lines Still Charge all Steamers \$28," and ending with the words, "Overflow Auguste to French Line."

Also cable dated New York, February 24th, 1908  
 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows:  
 "Korea Sailed Saturday 6 Cabin 280 Steerage."

Marked Petitioner's Exhibit No. 1,699.

- 4042 Also cable dated New York, February 25th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "British Lines Advanced Steerage Outward Rate To All Continental Ports To \$30."

Also cable dated New York, February 26th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Kherson Sailed Today 12 Cabin 554 Steerage."

- 4043 Also cable dated New York, March 1st, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Voluturno Hence February 28th, 3 Second Cabin 13 Steerage."

Also cable dated New York, March 14th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words "Richard Reduced Steerage Outward Rate," and ending with the words, "Twenty-three Dollars Russian Twenty-Four."

Marked Petitioner's Exhibit No. 1,700.

- 4044 Also cable dated New York, March 24th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words "Saratow Tomorrow Will Have Nine Hundred Steeragers Stopped," and ending with the words, "Transfer About Four Hundred To Steamer Main Thursday."

Also cable dated New York, March 25th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Saratow Today 22 Second 1025 Steerage About 300 Transferred To Estonia April 1st."

Also cable dated New York, March 26th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Richards Intend Reduce Steerage," and end-

ing with the words, "We Follow Reduction With Pretoria April 11th." 4045

Also cable dated New York, March 27th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "French Line Reduced Steerage Outward Rate," and ending with the words, "North German Lloyd Barbarossa April 9th, \$24."

Also cable dated New York, March 24th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows, "Reduced Outward Steerage Rate Pretoria April 11th, \$23."

4046

Marked Petitioner's Exhibit No. 1,701.

Also cable dated New York, March 30th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words "Saratow March 25th, 1013 Rate \$24," and ending with the words, "Entire Steerage Space Remaining Filled with Freight."

Also cable dated New York, April 8th, 1908 from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows, "Petersburg Today 1175 No. Overflow For Volturmo."

Also cable dated New York, April 11th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Hardly To Be Expected That Steeragers Will Pay \$38," and ending with the words, "Volturmo Will Scarcely Have 500 Pretoria More Than 2000." 4047

Also cable dated New York, April 15th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Present Quality Eastbound Steeragers Poorest Class," and ending with the words, "We Propose General Reduction Eastbound Steerage Rates."

4048

## Marked Petitioner's Exhibit No. 1,702.

Also cable dated New York, April 20th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Avoca Arrived Halifax April 18th," and ending with the words, "Departure Hence Uncertain."

Also cable dated New York, April 20th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "North German Lloyd Reduced Steerage Outward Rates," and ending with the words, "On Kaiserin Auguste Victoria and President Lincoln."

4049

Also cable dated New York, April 22nd, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Reduced Steerage Outward Rates," and ending with the words, "III'd Class Amerika \$36 Others \$33."

Also cable dated New York, April 22nd, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Kherson Sailed Today 23 Cabin 809 Steerage."

Also cable dated New York, April 28th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Avoca Hence May 5th."

## Marked Petitioner's Exhibit No. 1,703.

4050

Also cable dated New York, April 28th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Sailing Jelunga, May 9th, Volturmo May 23d Latter Uncertain."

Also cable dated New York, May 4th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Korea Sailed Saturday 32 Cabin 660 Steerage."

Also cable dated New York, May 6th, 1908, from Hamburg-American Line, New York to Hamburg-

American Line, Hamburg. Beginning with the words, "Until May 1st Had Only 80 Advices For Amerika," and ending with the words, "Buy Tickets Only Two or Three Days Before Date of Sailings." 4051

Also cable dated New York, May 7th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Avoca Hence May 5th, 745 Steeragers 25 Left Over Figures Cabled Incorrect."

Also cable dated New York, May 13th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Louisiana Sailed Today 1700 Steeragers," and ending with the words, "And Americana Bluecher and Hamburg Tomorrow Both Full." 4052

Also cable dated New York, June 10th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "New York Continental Line Advertises Jelunga," and ending with the words, "Estonia July 22nd, Rate \$24 Commission \$3."

Marked Petitioner's Exhibit No. 1,704.

Also cable dated New York, June 22nd, 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Reading as follows: "Jelunga Sailed Saturday 2 Cabin 259 Steerage."

Also cable dated New York, June 24th, 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Reading as follows: "Russia Sailed Today 20 1st Cabin 60 II Cabin 899 Steerage." 4053

Also cable dated New York, June 29th, 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Beginning with words, "We Refer To Your Cable Of Today," and ending with the words, "Trying To Arrange Uniform Charge Of \$4 Headtax."

4054 Also cable dated New York, June 30th, 1908, from Hamburg-American Lines, New York, to Hamburg-American Line Hamburg. Reading as follows: "Brasile Sailed Saturday 31 I Class 62 II Class 1007 Steerage Including 443 Continental."

Also cable dated New York, July 3d, 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Reading as follows: "Ducabruzzo Sailed Wednesday 74 I Class 1893 Steerage Including 454 Continental."

Also cable dated New York, July 7th, 1908, from Hamburg-American Lines, New York, to Hamburg-American Line, Hamburg. Beginning with the words, "Verona Sailed Saturday from Philadelphia," and ending with the words, "Including 714 Continentals."

4055

Marked Petitioner's Exhibit No. 1,705.

Also cable dated New York, July 23d, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Estonia Sailed Wednesday 27 Cabin 560 Steerage," and ending with the words, "To Rotterdam July 28th, \$21. Rate \$2. Commission."

Also cable dated New York, August 6th, 1908, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Reading as follows: "Russia Sailed Wednesday 20 I Cabin 25 II Cabin 705 Steerage Barbarossa 1420."

4056

Also cable dated New York, August 7th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Louisiana Sailed Wednesday 8 Cabin 1643 Steerage Including 489 Continental."

Also cable dated New York, September 5th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Verona Sailed Thursday from Philadelphia 6 Cabin 1783 Steerage Including 533 Continental."

Also cable dated New York, November 4th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Fixed III Class Prepaid Rates Amerika \$41," and ending with the words, "Your Remarks Refer to Cash Business." 4057

Also cable dated New York, November 19th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Circular October 31st Plainly advertised Commission," and ending with the words, "Prospects for Lincoln Poor."

Also cable dated New York, November 20th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Sending Out Today Circular Reducing III Class Commissions to \$2." 4058

Also cable dated New York, December 2nd, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "There Is So Little Reliance To Be Placed Upon," and ending with the words, "As Long As There Exists No Prepaid Agreement."

Marked Petitioner's Exhibit No. 1,706.

Also cable dated New York, December 11th, 1908, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "What Steerage Outward Rate Shall We Charge," and ending with the words, "Lower Rate Than Cunard Line Otherwise Cannot Compete." 4059

Marked Petitioner's Exhibit No. 1,707.

Also cable dated New York, February 11th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Richards Issued Circular Announcing Organization North West Transport Line," and ending with the words "Hamburg Bremen \$30. Commission \$3."



4060

## Marked Petitioner's Exhibit No. 1,708.

Also cable dated New York, February 2nd, 1909, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Beginning with the words, "Owing to Increased Demand," and ending with the words, "Amerika Auguste Victoria To \$35. Do you Agree."

Also cable dated New York, April 12th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Volturno Sailed Saturday 42 Steeragers."

4061

Also cable dated New York, April 26th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Uranium Left Saturday 4 Cabin 95 Steerage."

Also cable dated New York, May 12th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Raglan Castle Left Today Instead of May 8th 3 Cabin 127 Steerage."

Also cable dated New York, May 18th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Russasiatic Reduced Eastbound Steerage Rate Estonia May 22nd To \$26. Is It Correct."

4062

Also cable dated New York, May 22nd, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "We Refer to Your Cable of Today Estonia Sails," and ending with the words, "East Asiatic Lines Rate After June 1st, \$28."

## Marked Petitioner's Exhibit No. 1,709.

Also cable dated New York, May 25th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Volturno Landed Halifax 220 Steerage," and ending with the words "Sailed Today 4 Cabin 70 Steerage."

Also cable dated New York, June 9th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Uranium Arrived June 1st 2 Cabin 318 Steerage," and ending with the words, "Today 602 Of Which 343 To Hamburg At \$25 Rate." 4063

Also cable dated New York, October 11th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Voluturno October 9th, 182 Steeragers Sixteen Dollars Net Waldersee 425 at \$22 Less \$2."

Also cable dated New York, October 23d, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "We Refer To Your Cable of Today Voluturno \$16 Correct Viz. \$21 Less \$5." 4064

Also cable dated New York, October 25th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Uranium Saturday 173 \$17 Net Zealand 568 \$22 Net."

Also cable dated New York, November 8th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Napolitan Prince Hence Saturday About 150 Rate \$25," and ending with the words, "St. Paul 391 Continental \$24 Less \$2." 4065

#### Marked Petitioner's Exhibit No. 1,710.

Also cable dated New York, November 22nd, 1909, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Reading as follows: "Voluturno Sailed Saturday 151 Steerage Net Rate About \$20. Estonia 257 \$24 Less \$2."

Also cable dated New York, December 6th, 1909, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Uranium Hence December 4th, 374 Steeragers," and ending with the words, "Net Lituania 280 at \$24 Less \$2."

4066

## Marked Petitioner's Exhibit No. 1,711.

Also cable dated New York, January 4th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg. Beginning with the words, "Voturno Hence January 1st About 70 Steerage," and ending with the words, "Russia January 1st 221 Rate \$22 Less \$2."

Also cable dated New York, January 24th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Uranium Hence January 22nd About 90 Steeragers," and ending with the words, "Lapland January 22nd, 417 Rate \$22 Less \$2."

4067 Also cable dated New York, January 31st, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "We Refer to Your Cable of Today Have Reduced Russian Prepays to \$40."

Also cable dated New York, February 14th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Voturno Hence February 12th About 150 Steerage," and ending with the words, "February 12th 188 Rate \$27 Less \$2."

4068 Also cable dated New York, March 9th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Uranium Advertised to Sail Hence February 26th," and ending with the words, "Rhein Sailed March 5th, 373 at \$26 Less \$2."

## Marked Petitioner's Exhibit No. 1,712.

Also cable dated New York, March 14th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Campania Hence March 12th About 190 Steerage Net Rate," and ending with the words, "Rate only Effective One Day."

Also cable dated New York, March 24th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Thompson Line Advertises Steerage Prepaid Rates," and ending with the words, "Steamer Cairnrona April 2nd from Portland April 23d." 4069

Also cable dated New York, April 4th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Beginning with the words, "Laurentic Hence April 2nd 642 Continentals," and ending with the words, "From April 2nd Net Rate About \$20."

Also cable dated New York, April 11th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg. Reading as follows: "Volturno Hence April 9th About 150 Steerage Net Rate About \$20. Adriatic 1050 Continentals at \$24 Less \$2." 4070

Marked Petitioners' Exhibit No. 1,713.

Also translation of cable dated New York, April 26th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg, beginning with the words, "Campania hence April 23rd about 120 Steerage," and ending with the words, "Continental \$27 Less \$2."

Also translation of cable dated New York, April 28th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg, beginning with the words, "Advanced steerage Prepaid Rates," and ending with the words, "without collecting any difference in rate." 4071

Also translation of cable dated New York, May 2nd, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence April 30th about 90 steerage," and ending with the words, "St. Paul April 30th 401 Continental \$27 Less \$2."

- 4072 Also translation of cable dated New York, May 10th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg, reads as follows: "Reduced Steerage Prepaid Rates Amerika Kaiserin Deutschland \$38.50."

Also translation of cable dated New York, May 25th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Voluturno Hence May 21st about 200 steerage," and ending with the words, "Transferred 237 to Lapland 36 to Celtic."

Marked Petitioners' Exhibit No. 1,714.

- 4073 Also translation of cable dated New York, June 7th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Fixed steerage prepaid rates," and ending with the words, "Third Class Amerika Kaiserin \$43.50 Others \$41."

Also translation of cable dated New York, June 11th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Campania hence June 9th about 180 steerage," and ending with the words, "Deported George Washington June 9th, 1005 at \$27 and \$24, less \$2."

- 4074 Also translation of cable dated New York, June 24th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence June 23rd about 140 Steerage," and ending with the words, "Deported Main June 23rd 735 Steerage at \$27 Less \$2."

Also translation of cable dated New York, July 8th, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg, reads as follows: "Waldersee January 15th Competing Steamer as per our letter January 17th."

Also translation of cable dated New York, July 8th, 1910, from Hamburg-American Line, New York, to

Hamburg-American Line, Hamburg, beginning with the words, "Voturno hence July 7th about 300 steerage," and ending with the words, "Barbarossa July 7th, 978 at \$27 less \$2." 4075

Marked Petitioner's Exhibit No. 1,715.

Also translation of cable dated New York, July 22nd, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Campania hence July 21st, about 300 Steerage," and ending with the words, "Deported Bremen July 21st, 1316 at \$24 less \$2."

Also translation of cable dated New York, August 5th, 1910, Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence August 4th about 350 Steerage," and ending with the words, "Will be sent Brandenburg August 6th." 4076

Also translation of cable dated New York, August 10th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, reads as follows: "Reduced steerage outward rate Waldersee August 18th to \$27."

Also translation of cable dated New York, August 19th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Voturno hence August 18th, about 400 Steerage," and ending with the words, "Waldersee 1636 at \$24 less \$2." 4077

Also translation of cable dated New York, September 2nd, 1910, from Hamburg-American Line, New York to Hamburg-American Line, Hamburg, beginning with the words, "Campania hence September 1st, about 400 Steerage," and ending with the words, "270 overlooked will be sent Kaiserin."

Marked Petitioner's Exhibit No. 1,716.

Also translation of cable dated New York, September 7th, 1910, from Hamburg-American Line, New

- 4078 York, to Hamburg-American Line, Hamburg, reads as follows, "Reduced Steerage Prepaid rates Deutschland Amerika Class \$34, others \$31.50."

Also translation of cable dated New York, September 12th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line Hamburg, beginning with the words, "We refer to your cable of today American Line, and ending with the words, "If necessary advance our steerage outward rate."

- 4079 Also translation of cable dated New York, September 16th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence September 15th about 550 Steerage," and ending with the words, "Also 14 deported Russia 1278 at \$22 less \$2."

Also translation of cable dated, New York, September 30th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Voluturno hence September 29th about 400 steerage," and ending with the words, "About 50 overlooked will be sent Kaiserin."

Also translation of cable dated New York, October 8th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Reduced prepaid steerage rates," and ending with the words, "How about Philadelphia prepaid steerage rates."

4080

Marked Petitioner's Exhibit No. 1,717.

Also translation of cable dated New York, October 11th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Company's letter September 28th Scandinavian business," and ending with the words, "Instruct by cable Fixed III Class from Philadelphia \$35."

Also translation of cable dated New York, October 14th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, begin-

ning with the words, "Campanello hence October 13th, about 400 net rate," and ending with the words, "Friedrich Wilhelm October 13th, 1398 at \$23 less \$2." 4081

Also translation of cable dated New York, October 18th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Advanced steerage prepaid rates Amerika Class \$34." and ending with the words, "Others including Philadelphia \$38.50."

Also translation of cable dated New York, October 28th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence October 27th about 500 net rate," and ending with the words, "1505 at \$23, less \$2." 4082

Also translation of cable dated New York, November 11th, 1910, from Hamburg-American Line New York, to Hamburg-American, Hamburg, beginning with the words, "Voluturno hence November 10th about 620 steerage." and ending with the words, "1500 over-booked will be sent Pennsylvania."

Marked Petitioner's Exhibit No. 1,718.

Also translation of cable dated New York, November 12th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "We refer to our cable of yesterday," and ending with the words, "Transferred from Kurfurst at \$21 less \$2." 4083

Also translation of cable dated New York, November 23rd, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "We refer to your cable of yesterday," and ending with the words, "How about steerage prepaid rates also III Class."

Also translation of cable dated New York, November 25th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, begin-



- 4084      ning with the words, "Campanello hence November 24th about 480 Steerage," and ending with the words, "Transferred to Roon 16 to St. Louis."

Also translation of cable dated New York, December 5th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, reads as follows: "Fixed III Class Prepaid Rates all New York steamers \$43."

Also translation of cable dated New York, December 9th, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Uranium hence December 8th, about 1100 Steerage," and ending with the words, "December 7th and 500 Lapland December 10th."

4085

Marked Petitioner's Exhibit No. 1,719.

Also translation of cable dated New York, December 23rd, 1910, from Hamburg-American Line, New York, to Hamburg-American Line, Hamburg, beginning with the words, "Voturno hence December 22nd about 850 steerage," and ending with the words, "Besides 33 transferred Baltic December 24th."

Marked Petitioner's Exhibit No. 1,720.

- 4086      Also translation of cable dated Hamburg, February 18th, 1908, from Hamburg-American Line, Hamburg to Hamburg-American Line, New York, beginning with the words, "We refer to your cable of February 15th," and ending with the words, "What are present eastbound prices British Lines."

Also translation of cable dated Hamburg, March 11th, 1908, from Hamburg-American Lines, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Scandinavian Steerage outward rates," and ending with the words, "Old British Continental Steerage Agreement."

Also translation of cable dated Hamburg, March 24th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning

with the words, "Regarding Volturnos April 11, \$23," and ending with the words, "Please act accordingly confirm by cable." 4087

Also translation of cable dated Hamburg, March 27th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Further Reduction depends upon decision," and ending with the words, "Must wait if Richards Really reduce Storm."

Marked Petitioners' Exhibit No. 1,721.

Also translation of cable dated Hamburg, March 30th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Atlantic conference decided advance Continental outward," and ending with the words, "Headtax extra confirm by cable." 4088

Also translation of cable dated Hamburg, March 30th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Saratow March 25th eastbound," and ending with the words, "Also 2500 places empty cable is it correct explain."

Also translation of cable dated Hamburg, April 3rd, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, reads as follows: "Agree following eastbound rates commissions."

Also translation of cable dated Hamburg, April 9th, 1908, from Hamburg-American Line, Hamburg, to New York, Hamburg-American Line, reads as follows: "Discussing conference how meet Avoca." 4089

Marked Petitioners Exhibit No. 1,722.

Also translation of cable dated Hamburg, April 19th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Cable received April 19th have no objection against low rate," and ending with the words, "But act as you think best."

4090 Also translation of cable dated Hamburg, April 28th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Have moved that Pennsylvania be pitted," and ending with the words, "Cable if Jelunga Volturno sail dates mentioned."

Also translation of cable dated Hamburg, May 6th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "May 1st you cabled outlook for Pennsylvania," and ending with the words, "To estimate traffic in advance please explain."

4091 Also translation of cable dated Hamburg, May 16th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Conference which meets London," and ending with the words, "Consider eastbound question Murken."

Marked Petitioner's Exhibit No. 1,723.

Also translation of cable dated Hamburg, May 18th, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "For conference London May 23d," and ending with the words, "Continental Line as far as possible."

4092 Also translation of cable dated Hamburg, July 1st, 1908, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Please don't take any action regarding," and ending with the words, "Only \$3.75 cheaper than United States rate."

Also translation of cable dated Hamburg, March 4th, 1909, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Northwest Transport Liner Raglan Castle," and ending with the words, "March 2nd, 540 Steeragers of whom 170 for Halifax."

Also translation of cable dated Hamburg, April 16th, 1909, from Hamburg-American Line, Ham-

burg, to Hamburg-American Line, New York, beginning with the words, "We refer to your cable of yesterday," and ending with the words, "Trying fill III Class as much as possible." 4093

Marked Petitioner's Exhibit No. 1,724.

Also translation of cable dated Hamburg, June 5th, 1909, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Advance Steerage outward rates," and ending with the words, "Two dollars III Class accordingly confirm by cable."

Also translation of cable dated Hamburg, October 23d, 1909, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, reads as follows: "We refer to your cable of October 11th, Volturno Sixteen Dollar rate cable correct." 4094

Also translation of cable dated Hamburg, November 11th, 1909, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Fix IIIrd Class prepaid rate," and ending with the words, "All others thirty-nine fifty headtax extra."

Also translation of cable dated Hamburg, November 10th, 1909, from Hamburg-American Line, Hamburg, to New York, Hamburg-American Line, beginning with the words, "Reduce prepaid rates," and ending with the words, "Service thirty-four confirm by cable." 4095

Also translation of cable dated Hamburg, December 31st, 1909, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Fix steerage prepaid rates all Steamers," and ending with the words, "All others forty-three fifty headtax extra eastbound unchanged."

Marked Petitioner's Exhibit No. 1,725.

Also translation of cable dated Hamburg, July 8th, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with

4096 the words, "Answer by cable was Waldersee January 15th," and ending with the words, "We lack all information concerning."

Also translation of cable dated Hamburg, August 15th, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, reads as follows: "Reduce Waldersee August 17th Steerage outward rate \$24 with \$2 commission."

Also translation of cable dated Hamburg, September 7th, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Reduce Steerage prepaid rates," and ending with the words, "Other Steamers \$31.50 confirm by cable."

4097 Also translation of cable dated Hamburg, September 12th, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "British Lines advancing," and ending with the words, "outward rates five shillings think we must follow."

Also translation of cable dated Hamburg, October 18th, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Advance prepaid Steerage rates Amerika Kaiserin \$34," and ending with the words, "including Philadelphia \$38.50 confirm by cable."

4098

Marked Petitioner's Exhibit No. 1,726.

Also translation of cable dated Hamburg, November 21st, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Please advance prepaid steerage rates," and ending with the words, "Philadelphia Service \$36.50 confirm by cable."

Also translation of cable dated Hamburg November 22nd, 1910, from Hamburg-American Line, Hamburg, to New York, Hamburg-American Line, reads as follows: "Reduce Steerage outward rate Amerika November 24th \$25 with \$2 commission."

Also translation of cable dated Hamburg, December 16th, 1910, from Hamburg-American Line, Hamburg to Hamburg-American Line, New York, reads as follows: "Reduce Steerage outward rate Pennsylvania December 16th \$26 with \$2 commission." 4099

Also translation of cable dated Hamburg, December 22nd, 1910, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "Initial rates effective January 1st," and ending with the words, "Philadelphia \$36.50 Confirm by cable."

Marked Petitioner's Exhibit No. 1,727.

Also translation of cable dated Hamburg, December 30th, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, reads as follows: "Reduce Steerage outward rate Amerika January 5th \$26. With \$2 Commission Confirm by cable." 4100

Also translation of cable dated Hamburg, January 6th, 1911, from Hamburg-American Line, Hamburg, to Hamburg-American Line, New York, beginning with the words, "800 destitute Eastbound Steeragers," and ending with the words, "stopped by police and returned to Uranium."

Marked Petitioner's Exhibit No. 1,728.

Mr. Guiler: I offer in evidence certain letters between The White Star Line, Liverpool, and the White Star Line, New York, and certain copies of letters furnished by the White Star Line between J. Bruce Ismay, of Liverpool, and H. Peters, the Atlantic Conference Secretary at Jena, and also letters between Ismay, Imrie & Co. of Liverpool, and the White Star Line at New York, as follows: 4101

Letter dated June 17th, 1910, from Red Star Line, New York to Red Star Line, Antwerp, beginning with the words, "Your favor of the 9th instant enclosing synopsis of bye-laws," and ending with the words,

- 4102 "for which please accept our thanks." Signed, "Passenger Department."

Marked Petitioner's Exhibit No. 1,729.

Also letter dated Antwerp, 9th June, 1910, to W. W. Jefferies, Esq., New York, from Red Star Line, Antwerp, beginning with the words, "Please find enclosed synopsis of bye-laws to Agreement AA," and ending with the words, "as per special arrangement." Signed Red Star Line.

Marked Petitioner's Exhibit No. 1,730.

- 4103 Also letter dated Liverpool, 25th May, 1910, to W. W. Jefferies, beginning with the words, "Herewith I send you the printed copy of A. C. Minutes," and ending with the words, "Steerage business with Scandinavian American Line." Signed, T. Swain.

Marked Petitioner's Exhibit No. 1,731.

Also letter dated Antwerp, 17th May, 1910, to W. W. Jefferies, beginning with the words, "Please find enclosed A. C. Minutes 145-154," and ending with the words, "to you personally as per special arrangement." Signed, Red Star Line.

Marked Petitioner's Exhibit No. 1,732.

- 4104 Also letter dated March 24th, 1910, addressed to Mr. Strasser, beginning with the words, "In thinking the matter over again, we have decided to ask you to advise," and ending with the words, "one copy will answer all our purposes."

Marked Petitioner's Exhibit No. 1,733.

Also letter dated February 28th, 1910, addressed to Mr. Jefferies, beginning with the words, "I have to acknowledge your favor of the 18th instant," and ending with the words, "and will leave him to arrange with Mr. Peters." Signed, A. B. Cauty.

Marked Petitioner's Exhibit No. 1,734.

Also letter dated Liverpool, February 8th, 1910, addressed to Mr. Jefferies, beginning with the words, "Mr. Swain has shown me your letter to him," and ending with the words, "will have his correspondence with Mr. Sanderson in mind." Signed, A. B. Cauty. 4105

Marked Petitioner's Exhibit No. 1,735.

Also letter dated Liverpool, December 17th, 1909, addressed to Passenger Department, beginning with the words, "Atlantic Conference meeting Nov. 25th," and ending with the words, "by which this transportation is included so far as we are concerned." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,736. 4106

Also letter dated December 8th, 1909, addressed, Mr. Lawson Sandford, beginning with the words, "We have received from our Liverpool Office," and ending with the words, "so that it may be promptly considered and oblige."

Marked Petitioner's Exhibit No. 1,737.

Also letter dated December 7th, 1909, addressed, Messrs. Ismay, Imrie & Co., beginning with the words, "Atlantic Conference, London, November 25, 1909," and ending with the words, "which we trust will be successful."

Marked Petitioner's Exhibit No. 1,738. 4107

Also letter dated December 7th, 1909, addressed, Messrs. Ismay, Imrie & Co., beginning with the words, "We are in receipt of your favor of the 27th ulto," and ending with the words "free tickets between Liverpool and London and Paris."

Marked Petitioner's Exhibit No. 1,739.

Mr. Guiler: I also offer in evidence certain letters between The American Line, Liverpool, and the American Line, New York, and be-



- 4108                   tween the White Star Line, New York, as follows:

Letter dated Liverpool, July 29th, 1910, to the American Line, New York, from the American Line, Liverpool. Beginning with the words, "A. C. Agreement, Westbound Third Class Business," and ending with the words, "and which we are sure has had your usual prompt attention."

Marked Petitioner's Exhibit No. 1,740.

- 4109                   Also letter dated July 29-10, to the American Line, Liverpool, from the American Line, New York. Beginning with the words, "Prepaid Rates," and ending with the words, "our position under the westbound agreement."

Marked Petitioner's Exhibit No. 1,741.

Also letter dated Liverpool, June 11th, 1910, to the American Line, New York, from the American Line, Liverpool. Beginning with the words, "AA Agreement—westbound," and ending with the words, "rates from Havre \$35 from Cherbourg \$33."

Marked Petitioner's Exhibit No. 1,742.

- 4110                   Also letter dated June 3-10, from Red Star Line, New York, to the Red Star Line, Antwerp. Beginning with the words "Inland Railway fares from Antwerp," and ending with the words, "a new tariff which you hope to send us shortly." Signed (Red Star Line).

Marked Petitioner's Exhibit No. 1,743.

Also letter dated May 6-10, to Messrs. Ismay, Imrie & Co., Liverpool, from the White Star Line, New York, beginning with the words, "Continental E. B. Rates Philadelphia," and ending with the words, "we trust that you will approve our action in this respect." (Signed), White Star Line.

## Marked Petitioner's Exhibit No. 1,744.

4111

Also cable dated N. Y., May 6th, 1910, reads as follows: "Liverpool to Internavco, N. Y., May 6th, 1910—Reduce Continental Steerage rate Philadelphia May 7th Hamburg Bremen Rotterdam Antwerp to \$25.00."

## Marked Petitioner's Exhibit 1,745.

Also letter dated February 8th, 1910, to Messrs. Ismay, Imrie & Co., Liverpool, from White Star Line, New York. Beginning with the words, "Manifesting E. B. Aliens," and ending with the words, "see that they have also secured another vessel." (Signed) White Star Line.

## Marked Petitioner's Exhibit No. 1,746.

4112

Also letter dated Liverpool 19th February, 1910, to White Star Line, New York, from Ismay, Imrie & Co., Liverpool. Beginning with the words, "Manifesting E. B. Aliens," and ending with the words, "we will thank you to send us copies." Signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,747.

Also letter dated 19th February, 1910, from Ismay, Imrie & Co., Liverpool, to White Star Line, Boston, beginning with the words, "Your favor of the 8th instant to hand," and ending with the words, "We will advise you in due course what disposition is made." Signed, Ismay, Imrie & Co.

4113

## Marked Petitioner's Exhibit No. 1,748.

Also letter dated 19th February, 1910, from Ismay, Imrie & Co., Liverpool, to White Star Line, New York. Beginning with the words, "By the s/s 'Laur-entic' sailing today," and ending with the words, "arrange to forward the passengers by the route desired." Signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,749.

- 4114 Also letter dated 18th February, 1910, from Ismay, Imrie & Co., Liverpool, to the White Star Line, Boston. Beginning with the words, "Mediterranean service," and ending with the words, "infants' prepaid tickets from Azores." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,750.

Also letter to Red Star Line, Antwerp, from Red Star Line, N. Y. Beginning with the words, "We desire to refer to your letter of the 6th," and ending with the words, "do everything possible to hold passengers for these departures." Signed (Red Star Line).

- 4115 Marked Petitioner's Exhibit No. 1,751.

Also letter dated Antwerp, September 6th, 1910, to the Red Star Line, New York, unsigned, beginning with the words, "With reference to Mr. Peters' letter," and ending with the words, "accepting passengers from these two agencies."

Marked Petitioner's Exhibit No. 1,752.

Also letter dated Jena, September 5th, 1910, addressed "To the Parties," unsigned, beginning with the words, "Fighting steamers against the Uranium S. S. Co. (G 967)," and ending with the words, "putting forward their sailing day." Unsigned.

- 4116 Marked Petitioner's Exhibit No. 1,753.

Also letter dated Nov. 11-10 to the Red Star Line, Antwerp, from the Red Star Line, N. Y. Beginning with the words, "Uranium Competition," and ending with the words, "will have an opportunity of discussing this question with him." (Signed) Red Star Line.

Marked Petitioner's Exhibit No. 1,754.

Also letter dated Feb. 1-10/ to the Red Star Line, Antwerp, from the Red Star Line, N. Y. Beginning with the words, "Northwest Transport Line," and

ending with the words, "over the Trunk Line Rail- 4117  
roads from this port." (Signed) Red Star Line.  
Per

Marked Petitioner's Exhibit No. 1,755.

Also letter dated Jan. 28-10, to the Red Star Line,  
Antwerp, from the American Line, N. Y. Beginning  
with the words, "Colonist Rates," and ending with the  
words, "we will send you by first steamer after re-  
ceipt." Signed, American Line. Per

Marked Petitioner's Exhibit No. 1,756.

Also letter dated Jan. 25-10 to the Red Star Line,  
Antwerp, from the Red Star Line, N. Y. Beginning 4118  
with the words, "Northwest Transport Line Compe-  
tition," and ending with the words, "Cabled Mr. Peters  
the results as above." Signed The Red Star Line.

Marked Petitioner's Exhibit No. 1,757.

Also letter dated Jan. 26-10, to the Red Star Line,  
Antwerp, from the Red Star Line, N. Y. Beginning  
with the words, "Lapland Sailed 22nd. Competitive  
Rate," and ending with the words, "order for the  
White Star and Lloyd to receive the usual compensa-  
tion." Signed Red Star Line.

Marked Petitioner's Exhibit No. 1,758.

Also letter dated Antwerp, 20th April, 1910, to the 4119  
Red Star Line, New York, from the Red  
Star Line, Antwerp. Beginning with the words,  
"Your favor of the 5th inst.," and ending with the  
words, "please advise us." Signed Red Star Line.

Marked Petitioner's Exhibit No. 1,759.

Also letter dated Antwerp, 23rd April, 1910, to the  
Red Star Line, New York, from the Red Star  
Line, Antwerp. Beginning with the words, "s/s  
Kroonland 2nd April and s/s Finland 9th April,"  
and ending with the words, "passenger manifests of  
both steamers for Mr. Peters." Signed Red Star Line.

4120                   Marked Petitioner's Exhibit No. 1,760.

Also letter dated Antwerp 26th May, 1910, to the Red Star Line, New York, from the Red Star Line, Antwerp. Beginning with the words, "Your favors of 3rd and 13th inst. to hand," and ending with the words, "they cannot be used as basis for our account to Secretary Peters." Signed Red Star Line.

Marked Petitioner's Exhibit No. 1,761.

4121                   Also letter dated, April 26-10 to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "Your favors of the 15th inst. to hand," and ending with the words, "Agreement 'L' S. S. 'New York' sailed from here, etc. (ending with) circulars will be sent to our agents at once." "Unsigned."

Marked Petitioner's Exhibit No. 1,762.

Also letter dated, Southampton, Sept. 14th, 1910, to the American Line, New York, from the American Line, Southampton. Beginning with the words, "East Bound Rates," and ending with the words, "Are these the only Companies who pay?" Signed, American Line.

Marked Petitioner's Exhibit No. 1,763.

4122                   Also letter dated Sept. 23-10, to the American Line, Southampton, from the American Line, New York, beginning with the words, "E. B. Rates," and ending with the words, "Government Req. 21—480." Signed American Line.

Marked Petitioner's Exhibit No. 1,764.

Also letter dated, July 26-10 to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "We note with some surprise," and ending with the words, "that we can secure any of this traffic at a \$6 higher rate."

## Marked Petitioner's Exhibit No. 1,765.

4123

Also letter dated, Southampton, June 11th, 1910, to the American Line, N. Y., from the American Line, Southampton. Beginning with the words, "We have your L 757 of May 31," and ending with the words, "that they were sufficiently protected." Signed, American Line.

## Marked Petitioner's Exhibit No. 1,766.

Also letter dated June 17-10 to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "We note your remarks," and ending with the words, "Government, 17-430." Signed, American Line.

4124

## Marked Petitioner's Exhibit No. 1,767.

Also letter dated Southampton June 6th, 1910, to the American Line, N. Y. from the American Line, Southampton. Beginning with the words, "St Paul E. B. April 30th," and ending with the words, "may be no undue delay in claiming compensation." Signed American Line.

## Marked Petitioner's Exhibit No. 1,768.

Also letter dated June 7-10, to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "Your favor of the 27th ulto. to hand," and ending with the words, "Orientals 9-24." Signed, American Line.

4125

## Marked Petitioner's Exhibit No. 1,769.

Also letter dated May 24-10. To the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "Your favors of the 14th inst. to hand," and ending with the words, "Has not before been promulgated amongst the S. S. Lines." American Line.

## Marked Petitioner's Exhibit No. 1,770.

- 4126 Also letter dated Southampton, May 27th, 1910, to the American Line, N. Y. from the American Line, Southampton. Beginning with the words, " 'Philadelphia,' April 2 EB," and ending with the words, "so greatly overcarried their allotment share." Signed, American Line.

Marked Petitioner's Exhibit No. 1,771.

Also letter dated May 31-10 to the American Line, Southampton, from the American Line, New York. Beginning with the words, "Competitive Rates," and ending with the words, "Orientals 14-24." Signed American Line.

- 4127 Marked Petitioner's Exhibit 1,772.

Also letter dated May 6-10 to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, " 'Philadelphia' Tomorrow," and ending with the words, "Deported 31-171." Signed, American Line.

Marked Petitioner's Exhibit No. 1,773.

Also letter dated May 10-10 to the American Line, Southampton, from the American Line, N. Y. Beginning with the words, "Savannah Line Immigrant Tariff," and ending with the words, "which we hope to send you very shortly." (Signed) American Line.

- 4128 Marked Petitioner's Exhibit No. 1,774.

Mr. Guiler: I also offer in evidence miscellaneous letters between various steamship companies, members of the International Mercantile Marine, and other members thereof, and H. Peters of Jena.

Letter dated Liverpool, 3rd April, 1908, addressed, Passenger Department, beginning with the words: "Your favor of the 18th ulto. received," and ending with the words, "The information you asked for." Signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,775.

4129

Also copy of letter dated April 2nd, 1908, addressed, Secretary Peters, beginning with the words, "Referring to your circular letter G. No. 36," and ending with the words, "views of the other Lines as far as possible."

## Marked Petitioner's Exhibit No. 1,776.

Also letter dated Liverpool, 15th February, 1908, addressed, Passenger Department, beginning with the words, "As conveyed to you by cable from Mr Ismay," and ending with the words, "Oriental and Italian business of the French Line." Signed, Ismay Imrie & Co.

4130

## Marked Petitioner's Exhibit No. 1,777.

Also letter dated Liverpool, 27th March, 1909, addressed, Passenger Department, beginning with the words, "Enclosed please find typewritten copy of the provisional Minutes," and ending with the words, "Secretary to circulate statistics for consideration."

## Marked Petitioner's Exhibit No. 1,778.

Also letter dated Liverpool, 31st March, 1909, addressed, Passenger Department, beginning with the words, "Referring to our letter of 27th inst," and ending with the words, "substitute for those sent you with our letter referred to." Signed, Ismay, Imrie & Co.

4131

## Marked Petitioner's Exhibit No. 1,779.

Also letter dated April 27th, 1909, addressed, Ismay, Imrie & Co., beginning with the words, "Minute #1. The New York Conference Committee under By-law No. 22," and ending with the words, "included in the carryings of these lines under Agreement AA."

## Marked Petitioner's Exhibit No. 1,780.

Also letter dated, Liverpool, 6th May, 1909, addressed, Messrs. Lee & Franklin, beginning with the



- 4132 words, "We are in receipt of your favor of the 27th," and ending with the words, "to the allotment in that Conference." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,781.

Also letter, dated December 13th, 1910, addressed, Messrs. Ismay, Imrie & Co., beginning with the words, "Your favor of the 3rd instant, with enclosures," and ending with the words, "as to which we await your further advices," signed, "For the Passenger Department."

Marked Petitioner's Exhibit No. 1,782.

- 4133 Also letter, dated 15th September, 1909, addressed, Passenger Department, Boston, beginning with the words, "Atlantic Conference. Weekly statistics No. 33 for period 1st-7th September," and ending with the words, "in connection with the Mediterranean pool."

Marked Petitioner's Exhibit No. 1,783.

Also letter, dated Sept. 17, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Atlantic Conference. We beg to acknowledge receipt of weekly statistics," and ending with the words, "for the Russian East Asiatic S. S. Co." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,784.

4134

Also letter, dated Liverpool, 15th September, 1909, addressed, Passenger Department, New York, beginning with the words, "Gothenburg agency. We shall be interested to have Mr. Brecke's views in due course," and ending with the words, "and we enclose herewith order to cover." Signed, For Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,785.

Also letter, dated Sept. 24, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "We have to acknowledge receipt of your

favors of the 15th and 18th instants," and ending with the words, "we expect to have about 200 third-class passengers." Signed, White Star Line. 4135

Marked Petitioner's Exhibit No. 1,786.

Also letter dated, Liverpool, 18th September, 1909, addressed, Passenger Department, New York, beginning with the words, "Atlantic Conference. We enclose Scandinavian American Line statistics," and ending with the words, "and 24 copies of that relating to 'Oceanic.'" Signed, for Ismay, Imrie & Co. \*

Marked Petitioner's Exhibit No. 1,787.

Also letter, dated 18th September, 1909, addressed, Passenger Department, Boston, beginning with the words, "Atlantic Conference. We enclose Scandinavian American Line statistics for period 24th-31st August," and ending with the words, "compared with the Atlantic Conference." 4136

Marked Petitioner's Exhibit No. 1788.

Also letter, dated Liverpool, 22nd September, 1909, addressed, Passenger Department, New York, beginning with the words, "Atlantic Conference. Enclosed please find weekly statistics No. 34," and ending with the words, "east and westbound." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1789. 4137

Also letter, dated Liverpool, 24th September, 1909, addressed, Passenger Department, New York, beginning with the words, "Atlantic Conference. Weekly statistics No. 34, east and westbound," and ending with the words, "wish to travel via Southampton at a rate of \$52.50."

Marked Petitioner's Exhibit No. 1,790.

Also letter, dated 29th September, 1909, addressed, Passenger Department, Boston, beginning with the

- 4138 words, "Atlantic Conference. Weekly statistics No. 35," and ending with the words, "east and west, enclosed herewith."

Marked Petitioner's Exhibit No. 1,791.

Also letter, dated Oct. 5, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Your favors of the 24th and 25th of Sept. at hand," and ending with the words, "rate sheet on the Southampton service, which we enclose herewith." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1792.

- 4139 Also letter, dated Liverpool, 1st September, 1909, addressed, Passenger Department, New York, beginning with the words, "New Immigrant Tariff. Will you please advise us what the position is with regard to this tariff," and ending with the words, "and the usual forwarding arrangements have been duly made." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,793.

- 4140 Also letter, dated Sept. 10, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "New Immigrant Tariff, will not be ready for some time," and ending with the words, "No. 31 for 16th to 23rd of August, etc." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,794.

Also letter, dated 8th September, 1909, addressed, Passenger Department, Boston, beginning with the words, "Atlantic Conference. Weekly statistics No. 32 for period 24th-31st August," and ending with the words, "for the corresponding period are attached."

Marked Petitioner's Exhibit No. 1,795.

Also letter, dated Liverpool, 8th September, 1909, addressed, Passenger Department, New York, begin-

ning with the words, "Easbound Rail Bookings. We 4141  
note your remarks, and the territory from which com-  
mission," and ending with the words, "statistics for the  
Russian Eastasiatic S. S. Co." Signed, for Ismay,  
Imrie & Co.

Marked Petitioner's Exhibit No. 1,796.

Also letter, dated Liverpool, 11th September, 1909,  
addressed, Passenger Department, New York, be-  
ginning with the words, "Agreement C. C. Scandina-  
vian American Line. Nothing further has trans-  
pired," and ending with the words, "We will keep you  
advised of any developments."

Marked Petitioner's Exhibit No. 1,797. 4142

Also letter, dated Liverpool, 29th September, 1909,  
addressed, Passenger Department, New York, begin-  
ning with the words, "Your two letters of the 17th  
inst. to hand," and ending with the words, "for period  
16th-23rd September, enclosed herewith." Signed, for  
Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,798.

Also letter, dated Liverpool, 6th October, 1909, ad-  
dressed, Passenger Department, New York, beginning  
with the words, "P. S. Atlantic Conference. Enclosed  
please find weekly statistics No. 36," and ending with  
the words, "for period 24th-30th September." 4143

Marked Petitioner's Exhibit No. 1,799.

Also letter, dated Liverpool, 8th October, 1909, ad-  
dressed, Passenger Department, New York, beginning  
with the words, "Atlantic Conference. Enclosed please  
find weekly statistics No. 36," and ending with the  
words, "for the Russian East Asiatic S. S. Co."  
Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,800.

- 4144 Also letter, dated October 19, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Atlantic Conference. Weekly statistics East and Westbound," and ending with the words, "reached Queenstown safely without serious trouble." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,801.

- 4145 Also letter, dated Liverpool, 15th October, 1909, addressed, Passenger Department, New York, beginning with the words, "Atlantic Conference. Enclosed please find weekly statistics No. 37," and ending with the words, "for 1st-7th September and 8-15th September, respectively." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,802.

Also letter, dated October 26, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Your favor of the 15th inst. to hand," and ending with the words, "Continentials 36." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,803.

- 4146 Also letter, dated Liverpool, 22nd October, 1909, addressed, Passenger Department, New York, beginning with the words, "Atlantic Conference. Enclosed please find weekly statistics No. 38," and ending with the words, "east and westbound statistics for Scandinavian American Line." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,804.

Also letter, dated Nov. 2, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Atlantic Conference. Weekly statistics No. 38, east and westbound," and ending with the words, "Continentials 91." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,805.

Also letter, dated Liverpool, 3rd November, 1909, 4147  
addressed, Passenger Department, New York, beginning with the words, "Your favors of the 22nd and 26th ulto, to hand," and ending with the words, "statistics for 24th-30th Sept., 1st-7th and 8th-15th October." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,806.

Also letter, dated Nov. 12, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Your favor of the 3rd inst. to hand," and ending with the words, "statistics No. 35 were not enclosed." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,807.

4148

Also letter, dated Liverpool, 10th November, 1909, addressed, Passenger Department, New York, beginning with the words, "Your favors of the 29th ulto., and 2nd inst., to hand," and ending with the words, "from the West end office which we attach for your perusal." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,808.

Also letter, dated Nov. 19, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "We have to acknowledge receipt of your favor of the 10th inst.," and ending with the words, "Berman, Braine, 23, f, Russ. Heb. LPC. Appeal Dis-  
missed." Signed, White Star Line.

4149

Marked Petitioner's Exhibit No. 1,809.

Also letter, dated Liverpool, 17th November, 1909, addressed, Passenger Department, New York, beginning with the words, "Your two favors of the 5th instant to hand, contents noted," and ending with the words, "and the Scandinavian American Line." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,810.

- 4150 Also letter, dated Nov. 26-09, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Atlantic Conference. We are obliged for weekly statistic for the period," and ending with the words, "to seventh of November." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,811.

- 4151 Also letter, dated Nov. 30, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, Eng., beginning with the words, "Your favors of the 19th and 20th insts., to hand," and ending with the words, "for meeting held Oct. 11, 1909, duly received." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,812.

Also letter, dated Liverpool, 24th November, 1909, addressed, Passenger Department, New York, beginning with the words, "Your favor of the 12th and two letters of the 16th instant to hand," and ending with the words, "Greek and Oriental business via Channel ports." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,813.

- 4152 Also letter, dated Liverpool, 22nd February, 1908, addressed, Passenger Department, New York, beginning with the words, "Rate sheets. The several copies of rate sheets of the various Lines duly received," and ending with the words, "Passenger Managers' Meeting held in New York." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,814.

Also letter, dated Liverpool, 7th March, 1908, addressed, Passenger Department, New York, beginning with the words, "S. H. O-3-1176, issued in favour of William J. Williams," and ending with the words, "copies of these documents in due course, and oblige." Signed, for Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,815.

4153

Also letter, dated February 25, 1908, addresed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We have to acknowledge receipt of your favor of 15th inst.," and ending with the words, "existing between the American, French and N. D. L. V. Lines." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,816.

Also letter, dated May 21, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Hamburg Line. Yesterday afternoon we were advised by circular," and ending with the words, "to the Continental ports including Cherbourg." Signed, White Star Line.

4154

## Marked Petitioner's Exhibit No. 1,817.

Also letter, dated Liverpool, 12th February, 1908, addressed, Passenger Department, New York, beginning with the words, "We are in receipt of your cable of the 1st," and ending with the words, "the passengers were booked on your own office tickets." Signed, for Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,818.

Also letter, dated February 21, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "In reply to your inquiry as to whether the passengers," and ending with the words, "issued over our counter and on our blanks." Signed, White Star Line.

4155

## Marked Petitioner's Exhibit No. 1,819.

Also letter, dated Feb. 17, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Referring to our letter of the 5th inst.," and ending with the words, "of course report to Mr. E. C. Brown." Signed, White Star Line.



4156

## Marked Petitioner's Exhibit No. 1,820.

Also letter, dated January 28th, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "You will notice from the attached communication from the Secretary of Conference," and ending with the words, "from the tax or refund made to them." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,821.

Also letter, dated 18th January, 1908, addressed, Passenger Department, Boston, beginning with the words, "Your favor of the 10th instant," and ending with the words, "which will be dealt with in our next communication."

4157

## Marked Petitioner's Exhibit No. 1,822.

Also letter, dated Liverpool, Dec. 31st, '07, addressed, North Atlantic Passenger Conference, Secretary's Office, reads as follows: "Return of British, Scandinavian and Continental Third Class Passengers carried Eastbound by British Lines in the period, January 1st to October 31st, 1907."

## Marked Petitioner's Exhibit No. 1,823.

Also letter, dated Liverpool, 14th March, 1908, addressed, Passenger Department, New York, beginning with the words, "You will find your question under this heading fully answered," and ending with the words, "return of the Trans-atlantic Passenger Movement."

4158

## Marked Petitioner's Exhibit No. 1,824.

Also letter, dated Liverpool, 25th March, 1908, addressed, Passenger Department, New York, beginning with the words, "Your favor of the 13th instant to hand," and ending with the words, "at last Conference meeting in Liverpool."

Also letter attached, dated Christiania, March 16, 1908, addressed, Mr. Thos. C. Swain, Liverpool, be-

ginning with the words, "I have your favor of 12th inst.," and ending with the words, "We have conference." Signed, Ferd. J. Elster. 4159

Also letter attached, dated Trendhjem, March 16th, 1908, addressed, Mr. T. C. Swain, Liverpool, beginning with the words, "I am duly in receipt of your favor of the 12th instant," and ending with the words, "on account of the bad times over in America." Signed, Gerh. Dahl.

Marked Petitioner's Exhibit No. 1,825.

Also letter, dated Liverpool, 1st April, 1908, addressed, Passenger Department, New York, beginning with the words, "Continental Third Class Rates. You will have received Mr. Ismay's cable of the 30th ulto.," and ending with the words, "their prepaid sales of the Conference Secretary." Signed, for Ismay, Imrie & Co. 4160

Marked Petitioner's Exhibit No. 1,826.

Also letter, dated April 7, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Russian-East Asiatic Co., The Continental Lines have," and ending with the words, "From Bremen, Libau & Riga—\$30.00."

Marked Petitioner's Exhibit No. 1,827.

Also letter, dated Liverpool, 11th April, 1908, addressed, Passenger Department, New York, beginning with the words, "Cable-Continental Rates. In reference to this matter you will remember," and ending with the words, "that may be justified by the situation." Signed, for Ismay, Imrie & Co. 4161

Marked Petitioner's Exhibit No. 1,828.

Also letter, dated Liverpool, 24th April, 1908, addressed, Passenger Department, New York, beginning with the words, "Third Class Circulars. Referring to your letter of the 7th instant," and ending with the

- 4162 words, "had taken place since Secretary Peters last wired." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,829.

Also letter, dated Liverpool, 25th April, 1908, addressed, Passenger Department, New York, beginning with the words, "Prepaid Sales. In connection with the cabling of these numbers," and ending with the words, "mentioned under the pool contract." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,830.

- 4163 Also letter, dated Liverpool, 25th April, 1908, addressed, Passenger Department, New York, beginning with the words, "Referring to our general Third Class letter of the 16th instant, we attach herewith a memo.," and ending with the words, "in conjunction with the other Lines." Signed, for Ismay, Imrie & Co.

Also paper attached to foregoing letterhead, "Conference Meeting, 22nd April, 1908," beginning with the words, "The question of advertising was also taken up at Conference yesterday," and ending with the words, "for the curtailment of advertising expenses, in June."

Marked Petitioner's Exhibit No. 1,831.

- 4164 Also letter, dated Liverpool, 29th April, 1908, addressed, Passenger Department, New York, beginning with the words, "S. S. 'Baltic.' We note your remarks in yours of the 18th instant in connection," and ending with the words, "which please arrange to forward on receipt." Signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,832.

Also letter, dated Liverpool, 6th May, 1908, addressed, Passenger Department, New York, beginning with the words, "Reduced Eastbound Continental Rates. With reference to your remarks a similar arrangement," and ending with the words, "held on 20th, 24th and 25th February and 3rd March, 1908." Signed, for Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,833.

4165

Also letter, dated May 13, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "The Conference Secretary has transmitted to the British Lines," and ending with the words, "any citizens of this country or aliens in transit." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,834.

Also letter, dated May 15, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We are in receipt of your favor of 6th inst.," and ending with the words, "and stamping them to read via C. T. R." Signed, White Star Line.

4166

## Marked Petitioner's Exhibit No. 1,835.

Also letter, dated May 15, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Greek & Oriental Prepaid rates. Referring to your letter of 6th inst.," and ending with the words, "the rates so high that they would be practically prohibitory." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,836.

Also letter, dated Liverpool, 1st August, 1908, to White Star Line, N. Y., from the Ismay, Imrie Co., Liverpool, beginning with the words, "Your favour of the 21st ulto. to hand contents noted," and ending with the words, "rate of the direct Bremen steamer." Signed, Ismay, Imrie & Co.

4167

## Marked Petitioner's Exhibit No. 1,837.

Also letter, dated Liverpool, 7th August, 1908, to the White Star Line, N. Y., from Ismay, Imrie & Co., Liverpool, beginning with the words, "Your favour of the 28th ulto. to hand, contents noted," and ending with the words, "to the figure demanded by the percentage allotment." Signed, Ismay, Imrie & Co.

4168

## Marked Petitioner's Exhibit No. 1,838.

Also letter, dated Aug. 11, 1908, to Messrs. Ismay, Imrie & Co., Liverpool, from the White Star Line, N. Y., beginning with the words, "N. A. P. C. Meeting-Liverpool," and ending with the words, "effective August 31st to Oct. 30th." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,839.

Also letter, dated Liverpool, 12th August, 1908, to the White Star Line, N. Y., from the Ismay, Imrie & Co., Liverpool, beginning with the words, "Continental Prepaids," and ending with the words, "which have been duly printed." Signed, Ismay, Imrie & Co.

4169

## Marked Petitioner's Exhibit No. 1,840.

Also letter, dated August 14th, 1908, to Messrs. Ismay, Imrie & Co., Liverpool, from the White Star Line, beginning with the words, "Complaint against Falck & Co., Hamburg," and ending with the words, "We enclose copy of minutes of meeting No. 4." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,841.

4170

Also letter, dated August 18, 1908, to Messrs. Ismay, Imrie & Co., Liverpool, from the White Star Line, beginning with the words, "III Class Passenger Department," and ending with the words, "with regard to adjustment of their carryings." Signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,842.

Also letter, dated Liverpool, August 19th, 1908, from the Ismay, Imrie & Co., to the White Star Line, beginning with the words, "Your letter of the 7th inst. to hand," and ending with the words, "No. 21, period 1st-7th August, 1908." Signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,843.

Also letter, dated August 21, 1908, to Messrs. Ismay, Imrie & Co., from the White Star Line, beginning with the words, "Atlantic Conference," and ending with the words, "that the new rates will go into effect August 24th." Signed, White Star Line. 4171

Marked Petitioner's Exhibit No. 1,844.

Also letter, dated Liverpool, August 22nd, 1908, to the White Star Line, N. Y., from the Ismay, Imrie & Co., Liverpool, beginning with the words, "We confirm our cable of today reading," and ending with the words, "which the lines are sending out to the Agents who need same." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,845. 4172

Also letter, dated August 22nd, 1908, Liverpool, to the White Star Line, N. Y., from Ismay, Imrie & Co., at Liverpool, beginning with the words, "Yours of the 11th inst. to hand," and ending with the words, "at the Paris Meeting, Aug. 7th." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,846.

Also letter, dated Liverpool, August 26th, 1908, to the White Star Line, N. Y., from Ismay, Imrie & Co., Liverpool, beginning with the words, "Your letter of the 14th inst. to hand," and ending with the words, "we are obliged for copy of minutes of Meeting No. 4." Signed, Ismay, Imrie & Co. 4173

Marked Petitioner's Exhibit No. 1,847.

Also letter, dated Liverpool, August 29th, 1908, to the White Star Line, N. Y., from the Ismay, Imrie & Co., Liverpool, beginning with the words, "Your letter of the 18th to hand," and ending with the words, "for your files." Signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,848.

- 4174 Also letter, dated Sept. 1, 1908, to Messrs. Ismay, Imrie & Co., Liverpool, from the White Star Line, N. Y., beginning with the words, "We have your favor of the 22nd ult.," and ending with the words, "Please instruct, returning letter." Signed, White Star Line.

Marked Petitioner's Exhibit No. 1,849.

- Also letter, dated Sept. 8th, 1908, to Messrs. Ismay, Imrie & Co., Liverpool, from White Star Line, N. Y., beginning with the words, "We beg to acknowledge receipt of your favor of the 29th ult. per s/s 'Lucania,'" and ending with the words, "You will notice that they now quote a rate of \$31, plus \$4, head tax." Signed, White Star Line.
- 4175

Marked Petitioner's Exhibit No. 1,850.

Also letter, dated Liverpool, September 2nd, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favour of the 21st ultimo to hand, contents noted," ending with the words, "the period 16th-23rd August," and signed for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,851.

- Also letter, dated Liverpool, September 9th, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favors of the 28th ult., and 1st inst., to hand," ending with the words, "the period 24th-31st August," and signed for Ismay, Imrie & Co.
- 4176

Marked Petitioner's Exhibit No. 1,852.

Also letter, dated September 18th, 1908, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We beg to acknowledge receipt of your favor of the 9th inst.," ending with the words, "for which please accept thanks."

Marked Petitioner's Exhibit No. 1,853.

Also letter, addressed to White Star Line, New York, beginning with the words, "Since writing you on the 9th instant, we have none of your further favours," ending with the words, "Cymric Cedric Baltic pool purposes," and signed for Ismay, Imrie & Co. 4177

Marked Petitioner's Exhibit No. 1,854.

Also letter, dated Liverpool, September 16th, 1908, addressed to White Star Line, New York, beginning with the words, "Your favour of the 4th instant to hand, contents noted," ending with the words, "to alter the prepaid figure," and signed for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,855.

Also letter, dated September 29, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We are in receipt of your favours of the 19th inst.," and ending with the words, "Which will be carefully kept." 4178

Marked Petitioner's Exhibit No. 1,856.

Also letter, dated Liverpool, September 19th, 1908, addressed to the White Star Line, New York, beginning with the words, "Atlantic Conference," ending with the words, "Please acknowledge receipt," and signed for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,857.

Also letter, dated Liverpool, September 23rd, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favour of the 11th instant to hand," and ending with the words, "copies dated September 19th," and signed for Ismay, Imrie & Co. 4179

Marked Petitioner's Exhibit No. 1,858.

Also letter, dated October 6th, 1908, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We beg to acknowledge receipt of your



- 4180 favor of the 26th ult.," ending with the words, "you will find of interest," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,859.

Also letter, dated October 13th, 1908, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "We beg to acknowledge receipt of your favor of the 3rd inst.," and ending with the words, "accept thanks," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,860.

- 4181 Also letter, dated Liverpool, 3rd October, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favor of the 22nd ulto. to hand," and ending with the words, "prepaid rate being made," and signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,861.

Also letter, dated Liverpool, October 7th, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favour of the 25th ulto. to hand," ending with the words, "in due course," and signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1862.

- 4182 Also letter, dated Liverpool, October 10th, 1908, addressed to the White Star Line, New York, beginning with the words, "Your favour of the 29th ulto. to hand, contents noted," ending with the words, "with free orders to Boston," and signed, for Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,863.

Also letter, dated Liverpool, October 14th, 1908, addressed to the White Star Line, beginning with the words, "Your favor of the 2nd instant to hand," and ending with the words, "furnish us with a copy," and signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,864.

4183

Also letter, dated October 23rd, 1908, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "New York Conference Minutes," and ending with the words, "per day, menu, etc.," and signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,865.

Also letter from H. Peters to J. Bruce Ismay, Esq., beginning with the words, "I beg to acknowledge receipt of your favor of the 2nd inst.," and ending with the words, "notice of an alteration."

## Marked Petitioner's Exhibit No. 1,866.

4184

Also letter, dated April 22nd, 1908, addressed, "Dear Sir," beginning with the words, "Atlantic Conference Eastbound Pool Percentages," ending with the words, "first month without further delay," and signed, J. Bruce Ismay.

## Marked Petitioner's Exhibit No. 1,867.

Also letter, dated April 22nd, 1908, addressed, "Dear Sir," beginning with the words, "Eastbound Pool Percentage Arbitration," ending with the words, "acknowledgment and confirmation," and signed, Harold A. Sanderson.

## Marked Petitioner's Exhibit No. 1,868.

4185

Also letter, dated February 11th, 1907, addressed to H. Peters, Esq., Jena, Germany, beginning with the words, "In considering our Eastbound third-class arrangements," ending with the words, "awaiting the favor of your reply, remain," and unsigned.

Also statement attached, entitled "Third Class Continental Eastbound Rates."

## Marked Petitioner's Exhibit No. 1,869.

- 4186 Also letter, dated Liverpool, August 14th, 1907, addressed to H. Peters, Esq., Jena, beginning with the words, "In Mr. Ismay's absence," ending with the words, "in the unsettled state," and signed, Harold A. Sanderson.

Marked Petitioner's Exhibit No. 1,870.

Also letter, dated August 17th, 1908, addressed to Secretary Peters, Jena, beginning with the words, "Referring to your G. No. 228," and ending with the words, "about statement, and remain."

- 4187 Also letter attached, dated Jena, August 22nd, 1908, addressed, White Star Line, Liverpool, beginning with the words, "In reply to your favor of the 17th instant," and ending with, "Cunard Fiume 2.35%."

Marked Petitioner's Exhibit No. 1,871.

Also letter G. No. 659, dated Jena, November 19th, 1909, addressed, "To the Parties," beginning with the words, "Immco Allotment in Atlantic Conference," ending with the words, "in the above Eastbound allotment," and unsigned.

Marked Petitioner's Exhibit No. 1,872.

- 4188 Also copy of letter, dated Jena, January 25th, 1908, addressed, J. Bruce Ismay, Esq., Liverpool, beginning with the words, "By request of Mr. Ballin I beg to send you," ending with the words, "I hope to send you on next Monday," and signed, H. Peters.

Marked Petitioner's Exhibit No. 1,873.

Also copy of letter, dated Liverpool, 28th January, 1908, addressed, H. Peters, Esq., Jena, beginning with the words, "I am in receipt of your letter of the 25th inst.," ending with the words, "for which I am obliged," and signed, Bruce Ismay.

Marked Petitioner's Exhibit No. 1,874.

Also copy of letter, dated Liverpool, 29th January, 1908, addressed, H. Peters, Esq., Jena, beginning with the words, "I am in receipt of your letter of the 27th inst.," ending with the words, "for which I am obliged," and signed, Bruce Ismay. 4189

Marked Petitioner's Exhibit No. 1,875.

Also copy of letter, dated Liverpool, February 7th, 1908, addressed, H. Peters, Esq., Jena, Germany, beginning with the words, "1. Agreement Limiting the Canadian Lines," ending with the words, "Third Class Passenger business," and signed, Bruce Ismay.

Marked Petitioner's Exhibit No. 1,876.

Also copy of letter, dated Liverpool, April 2nd, 1908, addressed, H. Peters, Esq., Jena, beginning with the words, "Eastbound Pool Percentages," ending with the words, "to send you a copy very shortly," and signed, Harold A. Sanderson. 4190

Marked Petitioner's Exhibit No. 1,877.

Also copy of letter, dated Liverpool, September 28th, 1910, addressed, H. Peters, Esq., Jena, beginning with the words, "On that occasion, I placed before the meeting a cable," and ending with the words, "Allan Lines was not agreed to," and signed, Bruce Ismay.

Marked Petitioner's Exhibit No. 1,878.

Also letter, dated December 24th, 1908, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Atlantic Conference-Cologne Meeting, Dec. 3rd," ending with the words, "done for all the I. M. M. Co.'s Lines," and signed, Passenger Department. 4191

Marked Petitioner's Exhibit No. 1,879.

Also copy of cable, addressed to Ismay, Liverpool, April 24, 1908, beginning with the words, "Referring

- 4192 to your telegram," and ending with the words, "to basis \$28 Hamburg.

Also copy of cable from Liverpool to Internavco, N. Y., April 24, 1908, beginning with the words, "To adjust position," and ending with the words, "recent reduction."

Also copy of cable, addressed, Internavco, N. Y., April 25, 1908, beginning with the words, "Advanced Westbound Continental Steerage rates," and ending with the words, "Services only."

Marked Petitioner's Exhibit No. 1880.

- 4193 Also letter, dated April 15th, 1910, addressed to Mr. Strasser, beginning with the words, "I have your favor of the 8th instant," and ending with the words, "if they are printed in another language."

Marked Petitioner's Exhibit No. 1,881.

Also letter, dated December 23/09, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Your favor of the 15th to hand," ending with the words, "at a rate of \$24," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,882.

- 4194 Also letter, dated September 17th, 1909, addressed Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Northwest Transport Line," ending with the words, "was less than \$100 for each steamer," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,883.

Also letter, dated Liverpool, May 15th, 1909, addressed, Passenger Department, White Star Line, New York, beginning with the words, "For your information we attach herewith," ending with the words, "will be sent you in due course," and signed, "Tsmay, Imrie & Co."

## Marked Petitioner's Exhibit No. 1,884.

4195

Attached thereto is letter, dated Liverpool, May 13th, 1909, addressed, E. S. Smyth, Secretary, beginning with the words, "The Chairman explained the reasons which prompted the British Lines," and with certain omissions ending with the words, "and 3.50% eastbound."

Also letter, dated Liverpool, May 14th, 1909, addressed from E. S. Smyth to H. Peters, Esq., Jena, beginning with the words, "Referring to Minute No. 120," and ending with the words, "clash with any other agreements."

Also copy of paper beginning with the words, "It is understood that today's agreement," ending with the words, "to cancel clause 5 of that agreement," and signed C. M. T. Gold, and dated, Liverpool, May 14th, 1909. 4196

Also letter, dated May 11th, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Northwest Transport Line," ending with the words, "of the small eastbound movement," and signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,885.

Also letter, dated Liverpool, April 30th, 1909, addressed, Passenger Department, White Star Line, New York, beginning with the words, "Northwest Transport Line," ending with the words, "your views on this point," and signed Ismay, Imrie & Co. 4197

## Marked Petitioner's Exhibit No. 1,886.

Also letter, dated April 20th, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Northwest Transport Line," ending with the words, "for any particular sailing," and signed, White Star Line.

## Marked Petitioner's Exhibit No. 1,887.

- 4198 Also letter, dated April 9th, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Northwest Transportation Co.," and ending with the words, "who will watch the situation," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,888.

Also letter, dated Liverpool, April 8th, 1909, addressed, Passenger Department, White Star Line, New York, beginning with the words, "North West Transport Line," ending with the words, "Italian and Continental Lines," and signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,889.

- 4199 Also letter, dated Liverpool, March 31st, 1909, addressed, Passenger Department, White Star Line, New York, beginning with the words, "North West Transport Line," ending with the words, "Act accordingly with other Lines," and signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,890.

Also letter, dated March 29th, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Northwest Transportation Co.," ending with the words, "applied to the British Lines," and signed, White Star Line.

Marked Petitioner's Exhibit No. 1,891.

4200

Also cablegram to Internavaco, N. Y., dated March 29th, 1909, beginning with the words, "Paris meeting by law," and ending with the words, "act accordingly with other lines."

Marked Petitioner's Exhibit No. 1,892.

Also letter, dated September 10th, 1908, addressed Red Star Line, Antwerp, beginning with the words, "Northwest Transport Line," ending with the words, "800 for this sailing," and signed, Red Star Line.



## Marked Petitioner's Exhibit No. 1,893.

4201

Also letter, dated Liverpool, April 29th, 1908, addressed, H. Peters, Esq., Jena, beginning with the words, "We beg to acknowledge receipt of your telegram of the 29th inst.," ending with the words, "Cherbourg to \$30 basis Turin," and signed, Ismay, Imrie & Co.

Also copy of telegram, from Secretary Peters, 29th April, 1908, beginning with the words, "Holland Line got cable Avoca," and ending with the word, "wire."

## Marked Petitioner's Exhibit No. 1,894.

Also letter, dated Liverpool, June 20th, 1908, addressed, "Passenger Department, White Star Line, New York," beginning with the words, "We are glad to see that you were in a position," ending with the words, "to the Red Star Line of the 9th," and signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,895.

Also letter, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Special Frank Zotti & Co.," ending with the words, "we took in the matter," and signed, "White Star Line."

## Marked Petitioner's Exhibit No. 1,896.

Also letter, dated Liverpool, December 30th, 1910, addressed, White Star Line, New York, beginning with the words, "We have just received a telegram from Secretary Peters," ending with the words, "in Paris for April 24th," and signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,897.

Also letter, dated Antwerp, November 21st, 1910, addressed, "W. W. Jefferies, Esq., New York, beginning with the words, "Please find enclosed N. D. L. V.," ending with the words, "rates as per agreement V. & W.," and signed, Red Star Line.



4204                      Marked Petitioner's Exhibit No. 1,898.

Also letter, dated September 30th, 1910, addressed to Edward Strasser, Esq., Red Star Line, Antwerp, beginning with the words, "I have been a great admirer of the statistics issued," and ending with the words, "by the Holland American Line."

Marked Petitioner's Exhibit No. 1,899.

Also letter, dated July 8th, 1910, addressed, "American Line," beginning with the words, "Statistics for Mr. Peters," ending with the words, "was paid on the tickets or not," and signed, Passenger Department.

4205                      Marked Petitioner's Exhibit No. 1,900.

Also letter, dated Southampton, June 21st, 1910, addressed, Passenger Department, American Line, New York, beginning with the words, "With reference to our letter of the 17th instant," ending with the words, "in favor of Mr. R. Whitaker," and signed, American Line.

Marked Petitioner's Exhibit No. 1,901.

Also letter, dated Antwerp, May 13th, 1910, addressed, W. W. Jefferies, Esq., New York, beginning with the words, "Please find enclosed copy of Minutes 931," ending with the words, "as per special arrangement," and signed, Red Star Line.

4206

Marked Petitioner's Exhibit No. 1,902.

Also letter, dated Liverpool, April 20th, 1910, beginning with the words, "Important Notice to Agents," and ending with the words, "will be immediately disqualified."

Marked Petitioner's Exhibit No. 1,903.

Also letter, dated January 27th, 1910, addressed to Mr. T. C. Swain, Liverpool, beginning with the words, "It has been sometime since I have received from you the translated copies," ending with the words, "printed in German," and unsigned.

## Marked Petitioner's Exhibit No. 1,904.

4207

Also letter, dated November 15th, 1909, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "In reading over the Atlantic Conference," ending with the words, "and inland transportation as well," and signed, Passenger Department.

## Marked Petitioner's Exhibit No. 1,905.

Also letter, dated June 7th, 1909, addressed, Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "Passenger Situation," ending with the words, "it has ever been on before," and signed, Passenger Department.

## Marked Petitioner's Exhibit No. 1,906.

4208

Also letter, dated Liverpool, May 19th, 1909, addressed to Messrs. Lee & Franklin, New York, beginning with the words, "Passenger Situation," ending with the words, "no difficulty arising in this connection," and signed, Ismay, Imrie & Co.

## Marked Petitioner's Exhibit No. 1,907.

Also attached thereto, letter dated Liverpool, May 13th, 1909, addressed, E. S. Smyth, beginning with the words, "The Committee appointed under Minutes," ending with the words, "Westbound and 3.50% Eastbound," and signed, A. B. Cauty.

4209

Also copy of paper, beginning with the words, "It is understood that today's agreement," ending with the words, "clause 5 of that agreement," and signed C. M. T. Cold.

Also letter, dated Liverpool, May 14th, 1909, addressed Director C. M. T. Cold, Copenhagen, beginning with the words, "On behalf of the committee of the Conference Lines," and ending with the words, "agreement of this date."

---

Also letter, dated Liverpool, May 19th, 1909, addressed to White Star Line, New York, beginning with

- 4210 the words, "We are in receipt of your letter of the 6th instant," ending with the words, "for which we thank you," and signed, Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,908.

Also letter, dated April 21st, 1909, addressed to Mr. T. C. Swain, Liverpool, beginning with the words, "I am in receipt of your favor of the 8th inst.," and ending with the words, "more legible than heretofore," and unsigned.

Marked Petitioner's Exhibit No. 1,909.

- 4211 Also letter, dated Liverpool, 8th April, 1909, addressed to W. W. Jefferies, Esq., New York, beginning with the words, "I have your letter of the 30th ulto.," ending with the words, "for complaint in this respect in future," and signed, T. C. Swain.

Marked Petitioner's Exhibit No. 1,910.

Also letter, dated March 30th, 1909, addressed to Mr. T. C. Swain, Liverpool, beginning with the words, "I know it is not good form to look a gift horse in the mouth," and ending with the words, "it will be very much appreciated."

Marked Petitioner's Exhibit No. 1,911.

- 4212 Also letter, dated January 4th, 1909, addressed to Mr. T. C. Swain, Liverpool, beginning with the words, "I am in receipt of your favour of the 23rd ulto.," and ending with the words, "which is quite in order."

Marked Petitioner's Exhibit No. 1,912.

Also letter dated, Liverpool, December 23rd, 1908, addressed to White Star Line, New York, beginning with the words, "We are in receipt of your favour of the 8th instant," ending with the words, "which are made here," and signed Ismay, Imrie & Co.

Marked Petitioner's Exhibit No. 1,913.

Also letter, dated December 8th, 1908, addressed to Messrs. Ismay, Imrie & Co., Liverpool, beginning with the words, "This office, for a number of years," ending with the words, "the practice of making translations here," and signed, Passenger Department. 4213

Marked Petitioner's Exhibit No. 1,914.

Also letter, dated September 1, 1908, addressed to H. Peters, Esq., Jena, Germany, beginning with the words, "Your favor of the 12th," ending with the words, "the writer from the office," and signed, Passenger Department.

Marked Petitioner's Exhibit No. 1,915.

Adjourned until Thursday, Nov. 14, 1912, at 11 o'clock A. M. 4214

---

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PAC-  
KETFAHRT-ACTIEN-GESELLSCH-  
AFT, and others,  
Defendants.

Before  
Charles E. 4215  
Pickett, Esq.,  
Examiner.

New York, November 14th, 1912.

Met pursuant to adjournment and continued to the 20th of November, 1912, at 11 o'clock A. M.

4216

## UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG-AMERIKANISCHE PAC-  
 KETFAHRT-ACTIEN-GESELLSCH-  
 AFT, and others,  
 Defendants.

Before  
 Charles E.  
 Pickett,  
 Esq., Ex-  
 aminer.

4217

New York, November 20, 1912.

## Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
 the Petitioner.

Messrs. Burlingham, Montgomery & Beecher by  
 Norman B. Beecher, Esq., for the Anchor Line, Ltd.,  
*et al.*

Messrs. Choate & Larocque by Nelson Shipman,  
 Esq., for Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton by J. C. Spooner, Esq.,  
 for the Allan Line, *et al.*

4218

Messrs. Lord, Day & Lord by Lucius H. Beers, Esq.,  
 and Allan B. A. Bradley, Esq., for the Cunard Line,  
*et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
 Asiatic Company, *et al.*

Mr. Beers: I would like to cross-examine  
 Mr. Winter under the reservation made when  
 Mr. Winter was examined previously.

Mr. Guiler: Before you do that I would like  
 to say I was looking over some of the exhibits  
 the other day and noticed that some exhibits  
 were marked for identification; some of them

that had been printed, and two of them I noticed were marked for identification but were later offered in evidence, and if I come across any further ones that have been marked that way that we wish to put in evidence I would like to have permission to do so.

4219

Mr. Bullowa: Do you desire also to take out those exhibits which are in twice?

Mr. Guiler: Yes, I will do so if there are any in twice.

Mr. Bullowa: There are a couple in.

Mr. Guiler: The exhibits I desire to call attention to are Petitioner's Exhibit 82 for identification; that is in the printed record; it is marked 82 for identification; I would like to have that offered in evidence.

4220

Mr. Beers: That is subject to the objection we have a right to make under that examination; it all comes under our stipulation?

Mr. Guiler: Yes. Another exhibit marked Petitioner's Exhibit No. 205 for identification; that is the European railroad tariff of the Hamburg American Line, and I want to offer that in evidence; that has already been printed.

Mr. Beers: Printed under an identification number only?

Mr. Guiler: Yes, an identification number, and, as I said before, I want to reserve the right to put in any of those others that have been so marked. I have not had time to go over the record of exhibits.

4221

Mr. Spooner: That is, wherever you find in the record any paper that has been marked for identification that you want introduced in evidence, you want to put it in?

Mr. Guiler: Yes, and we want to take out any of those that seem superfluous.

4222

*Hermann Winter*

HERMANN WINTER, recalled.

*CROSS-EXAMINATION by Mr. Beers:*

4223

Q. Mr. Winter, in your direct-examination you stated that the representatives of certain lines met in New York at what you called conference rooms; will you state what that conference was in New York, at whose rooms you met? A. The conference rooms at 19 Broadway, at that time practically an office maintained between the representatives of lines here for local business, to communicate and discuss questions that arose here; it had reference to the, well, say the forwarding of immigrants by railroad, the questions that might come up with the immigration authorities, the railroads, customhouse, forwarding baggage; all local business; questions of interest which might arise.

Q. How long had that meeting or conference been in existence in the City of New York? A. Why, the North Atlantic Steamer Traffic Conference is in existence since March, 1868; long prior to any agreement among the lines.

Q. That is long prior to any agreements made abroad? A. Oh, yes.

4224

Q. And was this meeting or conference in New York organized and maintained for the purposes you have indicated? A. Yes, solely.

Q. Purely for the purposes of business in the City of New York? A. For the purpose of discussing matters; practically a clearing house of our business here.

Q. Was this so-called conference or meeting which existed in New York, a branch or subordinate part of any organization of any description existing in Europe? A. Oh, no, not at all. It existed long prior to that of any organization abroad.

Q. Did this conference or meeting in New York have anything to do with the financial or general policy of the lines represented? A. Nothing whatsoever.

Q. By what name was this New York Conference known? A. By British lines the North Atlantic Steamer Traffic Conference and subsequently changed to the North Atlantic Passenger Conference, then to the Continental lines, beginning about 1881, the Continental Conference and approximately at the same time the Mediterranean lines or the representatives of the American lines here, organized the Mediterranean Conference.

Q. So if I understand rightly there was in New York a Continental Conference, the North Atlantic Conference and the Mediterranean Conference? A. Correct.

4226

Q. And is what you have said in reference to this conference or meeting here at New York true of all three of those conferences? A. All three of them; it practically applies to all three of them.

Q. And that is the purpose for which they were organized and maintained? A. Exactly.

Q. And as to any relation which they bore to any organization whatever abroad? A. Correct.

Q. Were these conferences in New York, that is, the Continental Conference, the North Atlantic Conference and the Mediterranean Conference, were they in existence in February, 1908, when the Agreement AA was entered into? A. Yes.

4227

Q. Were you present in London when Agreement AA was made? A. Yes, sir.

Q. Did you take part in the discussion which led up to that? A. Yes.

Q. Had these conferences in New York, that is, the Continental Conference, the North Atlantic Conference, and the Mediterranean Conference any connection whatever, official or otherwise, with the organi-



4228

zation or agreement represented by Agreement AA abroad? A. No.

Mr. Guiler: Don't you think Mr. Beers, you ought to ask what they did instead of asking conclusions? As to what the connection was? Why don't you ask him what they did, what was the particular business. We object to it on the ground that it calls for a conclusion.

Mr. Beers: Do you object to the form of the question?

4229

Mr. Guiler: Well, I think it ought to be—he ought to say what the conference here did instead of a conclusion in his mind from the acts which they did.

(Question read.)

Mr. Beers: That calls for an official or any connection between the two.

Mr. Guiler: That calls for a conclusion also it seems to me from certain facts and I object to it and ask that it be excluded.

Mr. Spooner: Answer the question.

A. No.

4230

Q. Under Agreement AA, made in London in February, 1908, there was an official known as a secretary in Europe, was there not, appointed? A. Yes.

Q. For the purposes of the agreement? A. Exactly.

Q. Had that secretary appointed under Agreement AA, any authority or duty with respect to these conferences in New York? A. No, we had no connection with that at all.

Mr. Guiler: I object to that as a conclusion and ask that it be stricken out.

Q. Have you enumerated all the purposes for which these conferences in New York were organized and maintained, Mr. Winter? A. Practically.

Q. You testified on your direct-examination, Mr Winter that certain telegrams—that after certain telegrams had been received by the representatives of certain lines here in reference to the organization of the Small Committee, representatives of those lines met at the rooms of these conferences; why did they meet in conference? A. That was the most convenient place to meet. We met there to discuss our business as business conditions arose here, and to consult with each other. The office of the conference, the rooms maintained by the conference, practically is an office at which we could discuss our affairs; questions arose which affected us and our business mutually.

4232

Q. Was the fact that you met there merely a matter of convenience? A. Merely a matter of convenience. We might as well have met in the office of any one of us, or at any luncheon place.

Q. Had the business that you then had in hand, that is, the making up of the Small Committee, anything to do with the purpose for which the New York conferences had been organized or maintained? A. It was the most convenient place to meet and discuss this question; take this action.

Q. Had any one of these New York conferences or all of them together any duty in respect to the enforcement of Agreement AA? A. No.

4233

Q. You have testified to the organization of the Small Committee here in New York; on what authority did the representatives of the lines act in selecting the members of that Small Committee? A. On authority each received from his home office abroad.

Q. By cable? A. By cable.

Mr. Spooner: I did not have the privilege of being present at the last hearing; I would like to ask Mr. Winter a question or two.

By Mr. Spooner :

Q. Mr. Winter, can you state from recollection who were the parties to Agreement AA, what companies?

A. To Agreement AA?

Q. Yes. The one that is being attacked by the Government in this suit? A. The Hamburg American Line, North German Lloyd, Red Star, the French Line, White Star, American Line, Red Star, Canadian Pacific, Allan Line, the Russian American Line joined subsequently, the Scandinavian American Line joined subsequently, and Holland Amerika Line.

4235 Q. Did you mention the Cunard? A. Yes; Cunard Line.

Q. And the International Mercantile Marine? A. Yes, as one; they practically represent the American Line, White Star and Atlantic Transport.

Q. When did the French Line become a party to it, if you know? A. They were present at all of those meetings.

Q. When did it become a party to Agreement AA? A. On that occasion, February 8th, 1908.

Q. At the outset? A. Yes, at the very outset.

Q. Has the French Line been continuously a party ever since? A. Certainly.

4236 Q. It was a party at the time of the bringing of this suit? A. Yes.

Q. It is a party now? A. It is a party now.

Q. It is a party to it now? A. A party to it now, and participating.

Q. And has been participating ever since the formation of the agreement? A. Ever since.

Q. And also in the fighting ship arrangement? A. Yes, fighting ships, they were never designated because their facilities were impracticable for that purpose.

Q. They participated in the administration of them? A. Oh, yes; on the other side as far as we know.

Q. And they are doing it today? A. No doubt.

Mr. Beers: At the foot of page 1,215, fifth line from the bottom, "A. During the first term the committee had attempted to select a steamer and to suggest a rate—"

The Witness: That ought to be authority to suggest a rate. Then, on the next page, at the bottom in answer to the question "That was the only line doing a steerage business in the North Atlantic trade that was not represented directly or indirectly in the conferences you have mentioned? A. Practically," I ought to have said there also the Russian Volunteer and the Russian East Asiatic Line.

4288

By Mr. Beers:

Q. Do you desire to correct your testimony to that extent? A. To that extent, yes.

Q. Are there any other corrections? A. I answered a question ahead of that: "Q. What lines were there at that time which were not members of the conference? A. More particularly the Northwest Transport Company." I ought to have said the New York and Continental Line; the North West Transport Company was the successor of that line.

Q. You desire to correct your testimony to that extent? A. To that extent, yes, please.

4239

Mr. Bullowa: I want to suggest on the record now before the Government rests that it has developed by the cross-examination of this witness that the French Line is an indispensable, necessary and material party, and that it should be made a party before the proofs of the defendants be put in.

Mr. Guiler: In answer to that I want to state the French Line, that all the government

4240

had in regard to the question of whether the French Line was a party or not was a copy of Agreement AA when they drew the bill and all of the other evidence did not point to the fact of the French Line being in it, and that was partly on account of the fact that a page of Agreement AA, which was supplied by one of the defendants who is now not alive, to the Government was missing from that Agreement AA, and therefore, the French Line was not made a party at that time.

4241

Mr. Bullova: I suggest in view of the fact that it has developed—before the Government has closed its case—that the French Line was and is a material and necessary party, it should be made a party before the defendants' proof is put in.

Mr. Spooner: In answer to the suggestion of Mr. Guiler that the Government did not know when this suit was brought that the French Line was a party to it, I wish to say that the Department of Justice was informed of the fact to my personal knowledge several months ago.

Mr. Guiler: That is, you mean it came out in some of the testimony that was given here?

4242

Mr. Spooner: No sir, that Mr. Beers and myself recollect it was furnished sometime ago.

Mr. Guiler: On the other hand it does not seem to me the defendants here should be advising the Government as to what parties to make defendants in this action.

Mr. Spooner: I will offer no argument in the discussion of my statement.

Mr. Guiler: The bill seems to cover the material parties here.

Mr. Spooner: I am an American citizen and the Department of Justice representative is an American citizen—

Mr. Guiler: That is right.

Mr. Spooner: And I thought the Department of Justice ought to have been advised of the fact.

By Mr. Spooner:

Q. Has it been used by the Government? A. Why, yes.

Q. In what sense? A. The Department of Commerce and Labor has communicated its wishes and desires for carrying out certain regulations to all the lines through that office; the custom service—

4244

Mr. Guiler: I don't see how that is material. I object and move to strike it out. This is not in any way material to the issue here presented.

Mr. Spooner: I would not move to strike it out until it is in.

Mr. Guiler: It ought not to be in there. The Court, of course, will decide that finally, but now under our agreement here I have a right to object right off.

Mr. Beers: As to the form of the question, not as to the materiality? We have not been pressing questions as to the materiality; we would have been doing nothing else if we had.

4245

Mr. Guiler: You had the right to object later on and to strike out anything you wanted to strike out or make the motion to strike out, but I have not. Now, under this agreement, as I understand it, we have to make the objections as they arise.

Mr. Spooner: You had the right when this testimony was taken to move to strike it out.

Mr. Guiler: That is the way I understand. We are going ahead now, and that is the reason I make these objections in this way, just to

4246

hasten the matter to a conclusion, so that we won't have a long time fixing it up afterwards.

Mr. Beers: Let me understand; perhaps I am in error.

(After consultation between counsel present the following was directed recorded):

It is understood that the stipulation originally made in reference to the objections made by the defendants or by the Government continues in force.

(Answer read.)

Mr. Spooner: Go on, Mr. Winter.

4247

A. The custom service has used the office to communicate its wishes with reference to matters pertaining to the custom regulations, steamship business arriving here, custom interests; the treasury department used the office that way to communicate all of their—right through the secretary, or our clerk to the various lines instead of addressing each of the lines.

Mr. Guiler: Objected to as incompetent, immaterial and irrelevant, and I ask to strike it out.

4248

Mr. Bullowa: As I understand it, Mr. Winter, then any line, whether a member of any agreement or not has the privilege of contributing to the maintenance of the office and thereby procuring the use of the office and the use of the facilities of the office.

Mr. Guiler: Objected to as immaterial, irrelevant and incompetent.

The Witness: Practically.

Mr. Bullowa: Including the secretary?

The Witness: Practically, yes.

Mr. Bullowa: And other matters?

The Witness: Practically.

*RE-DIRECT EXAMINATION by Mr. Guiler:*

Q. Mr. Winter, the office was used, however, was it not, as a means of communication between Mr. Peters, the secretary at Jena, and the various steamship lines?

A. No, it was not.

Q. It was not? A. No, indeed not.

Q. Was it used by Mr. Peters to notify through Mr. Sandford any members of the Small Committee as to his wishes? A. No, indeed not.

Q. Never was? A. No. Mr. Peters' instructions had no value for us; no authority for us at all.

Q. I show you an exhibit which is marked Petitioner's Exhibit 31, and which has already been testified to as coming from Secretary Peters, the secretary at Jena, and which reads as follows: "Nordwest Raglan-  
 castle about June 23 Allowing extra commission High as five small com. consider necessary adopt same tactics cable confirmation." Now, that is a communication from Secretary Peters in regard to the competition against the Northwest Transport Line, isn't it?  
 A. No, this is addressed to Jena.

4250

Q. Oh, yes, that is right; that one is. Well, that is from Secretary Sandford to Secretary Peters? A. That appears to have been sent by Secretary Sandford not under authority of the lines; he did that in answer to an enquiry.

4251

Q. That was a communication between them? A. Oh, yes.

Q. In that case Sandford had— A. He may have answered an enquiry. I can't tell the connection of that.

Q. But there was a communication as to the Northwest Transport Company by Secretary Sandford with Secretary Peters in regard to the policy as to the Northwest Transport Company? A. It may have been as an enquiry; I cannot say as to that, but Secretary Peters



4252

never gave us instructions here, nor did we communicate instructions to Secretary Peters.

Q. I show you Petitioner's Exhibit No. 32, from the secretary at Jena to the secretary at New York, stating that the Raglan castle opposition steamer must be appointed. Now, that shows, does it not, in your mind that the secretary received some instructions from Secretary Peters at Jena? A. Secretary Sandford received those instructions. He could not act on them.

Q. He conveyed those to the Small Committee, didn't he? A. No.

4253

Q. Of which you were a member? A. No.

Q. You don't remember anything about that? A. No. We never acted on instructions of Secretary Peters.

Q. But he would communicate from time to time to Secretary Sandford some of his wishes, did he not? A. No. Never took them; never received them. He may have done this.

Q. Hasn't he talked with you about some of the wishes of Secretary Peters? A. No; there is no official connection between the conference—

Q. Answer my question; whether he did communicate in any way the wishes of Secretary Peters to the Small Committee? A. No, he did not.

4254

Q. Or the wishes of the conference lines, through Secretary Peters, to the Small Committee? A. No.

Q. Now, what was Minute 22, if you know? A. Minute 22 of the Agreement AA?

Q. No, what is commonly known as Minute 22? A. Of the Agreement AA?

Q. Yes? A. That had reference to the appointment of this committee.

Q. And it also had reference, had it not, to the action against the North West Transport Company, Uranium Line and other lines? A. Yes.

Q. Was that ever communicated to you in any way that action should be taken in accordance with Minute 22, from the secretary at Jena? A. No.

Q. Through Mr. Sandford? A. No.

Q. That is, you personally don't know whether the instructions for forming your committee came from there, or where it came from? A. Our instructions forming the committee came through the various lines here, the various lines abroad, the Hamburg-American Line cabled its representative here, the North German Lloyd cabled its representative here, the Holland Amerika Line cabled its representative here, and the Red Star.

4256

Q. But so far as you know, the advices to those various lines originating your appointment, or your notification from the various lines, you don't know whether those lines were moved by any other outside influence or not, do you? A. Abroad?

Q. Yes, abroad? A. Oh, no.

Q. You cannot say that? A. No.

Q. You can't say whether Mr. Peters notified the various lines abroad to take that action or not, can you? A. No.

Q. That is, you don't know? A. No, according to Minute 22 it was taken by the lines abroad in joint action.

4257

Q. Yes, all the lines which were members of the conference joined in forming Minute 22, did they not? A. Yes.

Q. Or passing it? A. Yes.

Q. And that was instituted abroad? A. Yes.

Q. That Minute 22? A. Yes.

Q. But yet Minute 22 dealt with the westbound competition of the Northwest Transport Company here, did it not? A. Oh, all outside competition here.

Q. That is the Northwest Transport? A. New York Continental at that time.

Q. And Uranium Line, didn't it? A. Uranium Line came in later; in 1910.

Q. But the same action under Minute 22 was taken against the Uranium Line, as against the others? A. Yes.

Q. Minute 22 dealt with the matter of fighting ships, did it not? A. Competing ships; that is your term; it is not our term.

Q. I think it is all through the evidence that they are fighting ships on your own correspondence? A. No.

4259 Q. But, however, if you prefer to call it competing ships, I will do so for the present? A. Yes.

Q. But in regard to those competing or defending ships, the action came from your various lines, you say, abroad? A. Yes.

Q. Under Minute 22? A. Yes.

Q. That Minute 22 was arranged for you as you said in the conference of the various lines? A. Abroad; not here.

Q. At any rate, you being a Small Committee carried that out, did you not; carried out the instructions from the various lines to you? A. From the various lines to us, yes.

4260 Q. In regard to the use of conference rooms by the so-called outside lines; that is, the Northwest Transport Company and the Uranium Line and the others, you stated that they had a right to contribute— A. If they wanted to.

Q. But they were never invited to it, were they, as far as you know? A. We never invited anybody to join.

Q. You never invited them to join? A. We never invited anybody.

Q. The only outside line, as a matter of fact, now on the North Atlantic trade is the Uranium Line, is it not? A. Yes.

Q. And before that the Northwest Transport Line and the New York Continental? A. And Russian Volunteer and Russian East Asiatic, both.

Q. But the Russian East Asiatic is now a member of the conference, is it not? A. Yes.

Q. And the Russian Volunteer has gone out of business? A. Yes. It has not gone out of business, retired from the North Atlantic trade.

Q. None of those lines you say were ever invited to join the conference? A. No.

Q. And never did join the conference? A. No.

Q. Except the Russian East Asiatic? A. Except the Russian East Asiatic.

4262

Q. Secretary Sandford, and his office there, was formed, was it not, partly to deal with the question of agents in America, wasn't it? A. To regulate agents and our local interests here, so that we may have some place where we could meet; a clearing house.

Q. And his instructions under Rule 9 of the conference were carried out as to the disqualification of agents, were they not? A. Yes; no instructions from him; we gave him instructions. He had no power to give the line instructions; he was our clerk.

Q. Secretary Sandford, very often, did he not, carried out in the meeting of all the lines members of the conference, instructions from the various lines in those meetings? A. He was our clerk to carry out instructions.

4263

Q. Are you acquainted with the Schiavone matter at all? A. Oh, yes.

Q. In that case Secretary Sandford notified Schiavone that he was disqualified, after you had advised him to do so? A. We instructed him to do so.

Q. And Schiavone was disqualified for the reason that he represented the outside lines, was he not? A. Because he violated our rules.

Q. Your rule was that a conference agent should not represent outside lines under penalty of disqualification? A. Exactly; there were good reasons for that rule.

Q. And many cases of that kind occurred, did there not? A. Quite some.

Q. Where agents were disqualified? A. Quite some.

Q. Notoriously the Zotti case? A. Where the agents violated our business rules instead of each individual taking action against him we took joint action through Secretary Sandford.

4265

Q. And when you say "we," you mean the conference? A. The Conference Lines here; the lines here.

Q. On various occasions the lines here received from Secretary Peters a notification to advance rates, did they not? A. No, not from Secretary Peters.

Q. I mean through him? A. No.

Q. You think that never occurred? A. No.

Q. And that that never was taken up in conference too, was it? A. Each line abroad had always instructed its representative here, but Peters has never given instructions here.

Q. But he has sent the result of the joint action abroad to the agents here, has he not? A. No.

4266

Q. Wasn't that matter ever taken up in--take, for instance, the Mediterranean Conference, was that ever taken up there? A. No.

Q. Now, I will show you, Mr. Winter, what purports to be meeting No. 9, series of 1909, of the Mediterranean Conference, and under Minute 28 of that meeting I show you a statement in there which is to the effect that in reply to Mr. Peters' cable the conference cable was to be sent today, viz: All lines notified advance current Mediterranean eastbound rate \$5 after May 31, except Austro-Spanish notifying intention to take differential advance and requesting cable reply.

Now, looking at that don't you see that that matter of rates was taken up on notification of Mr. Peters at the various conference meetings here? A. Not necessarily. We cannot see that here nor can you conclude that.

Q. You can see from the meetings, do you not, that that matter was taken up? A. Not in that way. Mr. Peters on behalf of the lines abroad may have made enquiry of Mr. Sandford for information for all the lines instead of each line cabling its home office.

Q. You see that that matter was taken up in the conference? A. In that way; answering an enquiry, but not with any instructions. There were no instructions; there was no official connection between the two. 4268

Q. The matter of Peters acting never was taken up in conference? A. There may have been a meeting abroad in which Peters cabled over, but information on behalf of all the lines.

Q. It went to all the lines? A. Yes, all the lines merely as a matter of information for all lines, so that instead of all these lines cabling to each home office they cabled Peters direct for the general information, but that is not a matter of instruction.

Q. Perhaps I have got a little off on that; but matter of information then? A. A matter of information.

Q. As a matter of information to the conference here of the change in rates? A. No. 4269

Q. Instead of all the lines notifying that the rates had been changed, Mr. Peters would take it upon himself to notify the conference here and the various members had certain meetings here and the matter would be taken up here? A. No, indeed not.

Q. After looking at this meeting, No. 9, you still say that? A. Yes. At the Mediterranean Conference the lines have always reported to their home office abroad. I only know they are sent, but Mr. Peters

*Hermann Winter*

4270

may have been informed in answer to an enquiry for the benefit of all the lines what action had been taken here.

Mr. Spooner: Is the Mediterranean Conference supposed to be involved in this suit?

Mr. Guiler: Yes; all the conferences are supposed to be involved in this suit.

Mr. Spooner: I should think so according to the manner in which it has been conducted and I want to know what the Government is discriminating against.

4271

Mr. Guiler: Under our method of proof here and under the bill which has been filed we feel that anything which shows the control over the situation is admissible; which shows in what way the rates or agents or anything else are controlled is admissible to show that control.

Mr. Spooner: Is there anything in the bill which refers to the Mediterranean Conference?

Mr. Guiler: There is something that refers in general to all conferences, and it is broad enough to take in all the conferences as a matter of proof.

4272

Mr. Spooner: We differ as to that. I object to any evidence of any agreement or conference, other than Agreement AA.

Q. Then the conference here was a conference of all the lines members of that conference—except the line which I have mentioned—were principally formed to deal with rules for the agents? A. Rules for the agents. Well, all questions came up in connection with our business.

Q. And incidentally the connection with the competition with those various lines which I have mentioned, outside lines? A. The Small Committee was never

dealt with in conference outside of that one occasion where we met in the rooms and formed the committee in accordance with the instructions each line had received from abroad. But outside of that there was never any action taken in the conference rooms, as I explained before; we had no regular meetings; nothing.

Q. But the conference, you have already stated—I mean the Small Committee—you have already stated, went ahead in pursuance of Minute 22, which was handled by the— A. We never knew of Minute 22 at the time; that only came up to us later. That express joint meeting abroad. Our committee was formed on cable instructions to representatives of lines here from their home offices; we knew nothing about Minute 22.

4274

Q. And if there was such a minute dealing with the—you do know about it now? A. Oh, yes, we know about the substance of it.

Q. So you knew it was in consequence of that Minute 22 that you went ahead on the instructions from the lines? A. We learned that later on.

By Mr. Bullowa:

Q. The Compagnie Generale Transatlantique, or the French Line, receives a subsidy from the French Government? A. I think so, yes.

4275

Mr. Guiler: I object to that question and answer as immaterial and irrelevant, and ask to have them stricken out.

By Mr. Guiler:

Q. As you said, in addition to those things that I have mentioned, the conference room here was for all of the other things you have mentioned, was it not; that is, dealing with any matter that came up? A. That came up.



4276

Q. In regard to any of the lines or all the lines, members of the conference? A. Yes; in connection with our business. It was easier to communicate through a secretary that way our experience in business, or losses.

Q. It is a sort of clearing house for any question which came up among the Conference Lines? A. Yes; among our lines.

Q. And you on occasions discussed in that clearing house matters which affected the lines abroad, or which were dealt with by the various lines in conference abroad? A. No, we had nothing to do with that at all; we carried out our instructions; our office here did.

4277

Q. You carried out the instructions of all the lines? A. From the lines abroad, yes.

Mr. Spooner: I want to move to strike out the testimony taken at Liverpool, except the testimony of Mr. Ismay, upon the ground that it was taken in violation of the stipulation and without notice to any of the parties to it, except the White Star Line, reserving the right to withdraw the motion.

Mr. Guiler: I understood that Mr. Beecher and Mr. Burlingham were dealing in this matter as the representative of the various lines.

4278

Mr. Spooner: That is not the understanding.

Mr. Guiler: My idea was that the stipulation on which we went over was that Mr. Ismay did not, as they thought he did not, know fully the facts of the case, that we were to get them from other members of the White Star Line. And if I am wrong, Mr. Beecher, I would like you to correct me. Mr. Burlingham mentioned that on several occasions to me.

Mr. Spooner: I only know the stipulation

as far as my clients are concerned is different.

4279

Mr. Guiler: If that had not been understood I think Mr. Ismay over there, might have been detained a great deal longer than he was. The examination of Mr. Ismay took up about one-half day, as I remember it.

Mr. Spooner: You do not object to my reserving the right to withdraw the motion, do you?

Mr. Guiler: No.

Mr. Bullowa: I want to join in the same objection.

Mr. Beecher: We shall endeavor to carry out in good faith the agreement our representative made and in the absence of Mr. Burlingham, without further discussion, I will not put any statement on the record this morning.

4280

Mr. Guiler: As I said, we found without a great deal of cross-examination that Mr. Ismay did not know all that we wanted to find out, and therefore we did not go into the matter. If he said he did not know, we did not go into the matter very fully as we knew we could get it from Mr. Cauty, who was fully acquainted with it.

Mr. Spooner: I do not intend to try this case in a small way; I simply want that on the record.

4281

Mr. Guiler: You have not read the record over you mean, and you want to reserve the right to move to strike out?

Mr. Spooner: I move to strike it out, but I want to reserve the right to withdraw this motion, which in all probability I will do.

Mr. Guiler: The Government rests with the exception I made before, in the beginning of this meeting.

Mr. Beers: You mean as to noting the numbers of exhibits offered for identification as being exhibits now offered in evidence?

4282

*Bryce James Allan*

Mr. Guiler: Yes. They have already been identified, a good many of those, and appear.

Mr. Bullowa: There is no objection to that, if we understand that, with the exception of that.

Mr. Guiler: That is right.

Mr. Spooner: That is covered by the stipulation made before.

Mr. Pullowa: Then you rest?

Mr. Guiler: Then the Government rests.

4283

BRYCE JAMES ALLAN, sworn on behalf of defendants, testified as follows:

*Direct-examination by Mr. Spooner:*

Q. Mr. Allan, where do you reside? A. Boston.

Q. How long have you resided there? A. Since 1884.

Q. Are you engaged in business there? A. Yes, sir.

Q. What business? A. The Allan Steamship Company.

Q. In what capacity? A. As manager of the Boston office.

Q. What was the territorial extent of your jurisdiction in that office? A. Beg pardon?

Q. What was the scope of your jurisdiction; were you the agent in Massachusetts or how large was the territory over which you had jurisdiction, simply the Boston office? A. Yes.

Q. And the Boston Port? A. Yes.

Q. You began in 1884? A. Yes, sir.

Q. Are you connected with the Allan Steamship Company now? A. No.

Q. In any way? A. No way whatever.

4284

Q. How long since you ceased to be agent there, or connected with it? A. The first of September last.

Q. What was your particular function there in respect to your duties, duties of the office; freight or passenger or what? A. Freight and the general superintendence of the business, but nothing to do with the passenger department.

Q. You had nothing to do with the passenger department? A. No.

Q. How were the passenger rates fixed or informed to the agents who had charge of the passenger business? A. We got all of those instructions from Montreal.

4286

Q. Were you or were you not aware of any agreement under which rates were fixed between your company and other companies? A. You mean was I familiar with the details?

Q. Yes? A. No, I am not.

Q. So that to your knowledge you were not at any time administering in Massachusetts any agreement between the steamship lines? A. No.

Q. What ports of the United States are visited by the Allan Line steamships? A. Portland, Me., Boston and Philadelphia.

Q. Are those vessels visiting the ports of Maine carrying passengers? A. I believe a very few.

4287

Q. What was the other port you mentioned? A. Philadelphia.

Q. Do they carry passengers? A. No.

Q. Only freight? A. Yes, sir.

Q. And the vessels which call at the port of Boston, do they carry passengers? A. Yes, sir.

Q. And freight? A. Yes, sir.

Q. They carry how many classes of passengers? A. Two.

Q. What? A. What is called cabin and steerage.

Q. What proportion of the passenger traffic of your

line in and out of Boston is the steerage traffic; I mean of the traffic of your line in passengers? A. Of the whole line?

Q. Yes, between foreign ports and the continent of America? A. I should think about fifteen per cent.

Q. Is that the proportion of steeragers to other passengers which are carried by your ships to American ports, for instance, the port of Boston? A. (No answer).

Q. Your ships visit Canadian ports also? A. Yes.

4289 Q. What ports in Canada? A. Montreal and Quebec and Halifax and St. John's, New Brunswick. I did not answer the question before because I did not quite catch what you said.

Q. Are you able to state what proportion of the steerage passengers brought by your line into the United States, or taken out by your line from the United States to foreign parts, bears to the mass of steerage passengers carried by your line; if you cannot answer that I will prove it in some other way? A. I am not sure, but I should think about fifteen per cent.

Q. That can be ascertained, can't it? A. Oh, no; I think it is more than that; I don't think that is correct.

Q. What is your answer then? A. I think Mr. Hannah will give you that information; I don't think I can. I think you had better take that up with him.

Mr. Spooner: Is the Government willing to concede that the Allan Line gave notice December 16th, 1908, to withdraw from the participation in the fighting steamship arrangement, which took place on January 17th, 1908? I can prove it, if you want it.

Mr. Guiler: I wish you would, senator; I don't recall now just what there is about that.

*George Hannah*

4291

*CROSS-EXAMINATION by Mr. Guiler:*

Q. I show you Petitioner's Exhibit No. 3, which is Agreement "AA." Your line was a party to that agreement, was it not? A. I know nothing about that. I believe it was a party to it; I have never seen those agreements at all.

Q. There is the agreement; I show it to you? A. I have seen that before.

Q. You haven't any acquaintance with that agreement at all? A. No.

Q. That is, you handled the business of the Line exclusively and were not acquainted with the policy of the Line? A. I knew the policy generally, but I had nothing to do with this particular question. 4292

Q. I show you also Petitioner's Exhibits Nos. 10 and 11, and ask you if you were informed at any time as to whether the Allan Line was a member of agreements, or signed Agreement "W" and Agreement "V" in regard to the first and second-class business? A. I don't know anything about those questions at all.

Q. You did not know? A. No.

Recess taken until 2:00 o'clock P. M.

4293

Afternoon session.

GEORGE HANNAH, sworn on behalf of the Defendants, being first sworn testified as follows:

*Direct-examination by Mr. Spooner:*

Q. Mr. Hannah, where do you reside? A. Montreal.

Q. How long have you resided there? A. Twenty years.

4294

Q. Where did you reside before that? A. New York.

Q. New York City? A. Brooklyn.

Q. What is your business? A. Passenger Manager of the Allan Line Steamship Company.

Q. How long have you been engaged in the steamship business? A. Forty-five years next February.

Q. Beginning where? A. In New York.

Q. With what line? A. The Inman Line.

Q. What year was that? A. February, 1862, I joined the Inman Company..

4295

Q. With what line were you next afterwards connected? A. The Inman Line became merged into the Inman & International Steamship Company, which is now the American Line. The merger took place about 1889—1888 or 1889.

Q. Then what? A. I left the employment of the Inman & International Steamship Company at the end of 1892 to go to Montreal, where I have been since.

Q. And since that time you have been connected with the— A. Allan Line Steamship Company.

Q. The Allan Line Steamship Company is a Scotch corporation, is it? A. Yes, sir.

4296

Q. Where do its ships run; between what ports do the ships ply? A. During the summer season, that is to say, from the first of May until the end of November, they have three services, one running from Liverpool to Montreal, another from Glasgow to Montreal and the third from London, calling at Havre to Montreal; and in addition to that they have a service from Glasgow to Boston and another service from Glasgow to St. John's, Newfoundland, calling at Halifax and proceeding from Halifax to Philadelphia.

Q. Referring to the steamers last mentioned, do they carry steerage passengers? A. To Halifax, to St.

*George Hannah*

4297

John's, Newfoundland and Halifax; not to Philadelphia.

Q. Not to the United States? A. No, sir.

Q. What line carries steerage passengers to the United States? A. The service to Boston; from Glasgow to Boston.

Q. You are no. at present, or are you, able to state the proportion of steerage passengers carried by your line to the United States; that is, to Boston; the proportion carried to the United States relatively to the proportion which is carried by your line to other points on this continent? A. Yes, I think I can. For instance, all the passengers carried on our line to Boston we may readily assume are for the United States; they may not be all; some of them may go through to Canada; some of them no doubt do go through to Canada, but in view of the fact that the steamers land at Boston we might consider all of those passengers were American passengers. I could not prove otherwise.

4298

Q. Assume that? A. Assuming that, the passengers proceeding by our Canadian Line, the service I have mentioned, I will give you the figures for the last two years; in the year 1910 we carried 47,969 third-class passengers, of which number, 8,430 proceeded to the United States; in 1911 we carried 45,767 third-class passengers, of which number 4,106 proceeded to the United States. In other words, in two years about 15% of the total number carried were American passengers. The Boston service in 1910, carried 3,715 passengers.

4299

Q. What is the last service you mentioned? A. The previous one?

Q. Yes? A. They came by the Canadian Line, from Liverpool to Montreal and from Glasgow to Montreal and Havre and London to Montreal. The Boston passengers we are assuming are all American



4300

*George Hannah*

passengers. In the year 1911, the Boston service brought 2,687 steerage passengers to Boston.

Q. Any other year? A. I haven't got figures on any other year.

Q. You will produce those later? A. If desired I could produce those.

Q. Are you able to say whether the Allan Line at any time withdrew from the fighting steamer arrangement? A. Yes; we were in the fighting steamer arrangement only about six months. We joined it, I think, in December and withdrew in May. December, 1908, and withdrew in May, 1909.

4301

Mr. Guiler: Was that withdrawal in writing, Senator?

Mr. Spooner: The notice was in writing. I cannot prove—the notice was given on the other side and I didn't think you wanted me to delay this for that.

The Witness: I have written to the other side for a copy of the letter.

Mr. Spooner: I will produce it.

Mr. Guiler: I don't object to your putting it in in this way if you want to.

4302

The Witness: We had a copy of the communication, or a statement rather, that they had withdrawn on such a date. They became parties on the 25th of May, 1908, and withdrew on the 16th of December, 1908; both in 1908.

Q. To whom was the letter written? A. I really don't know, but I presume it was to Secretary Peters. I presume it was, but of my own knowledge I don't know that even.

Mr. Guiler: I would like to have it on the record, if you can produce it.

*George Hannah*

4303

Mr. Spooner: The fact that they withdrew we can prove without reference to the document.

Mr. Guiler: That is the fighting steamship proposition?

Mr. Spooner: Yes.

Q. And you have had no connection with it since?

A. None at all, no.

Q. Now, Mr. Hannah, you say you were with the Inman Line? A. Yes, sir.

Q. That was in 1868? A. Yes; from 1868 until it finally went out of business in 1880, or 1888 perhaps it might be. 4304

Q. You have had a very large experience in the steamship business, a long experience? A. I think I am amongst the oldest and longest in the business who are alive today.

Q. Do you know what led the Inman Line to withdraw from the business; to go out of business? A. Lack of funds I believe to carry it on.

Mr. Spooner. As a matter of history I am going to show by this witness that it was forced out of business by this unregulated competition that the Government wants.

Mr. Guiler: I make objection to that going in on the ground that it is immaterial and incompetent. 4305

Mr. Spooner: I want to show by Mr. Hannah, who has had a very large experience and knows something about this business, the necessity for understanding between the steamship companies as to various matters, including among others, the stability of rates, and I propose to follow that up by attempting to show by him that these rates are reasonable.

1  
4  
3  
5

4306

*George Hannah*

Mr. Guiler: Show it under my objections, Senator.

Mr. Spooner: Of course, I expect you to object. If it did not amount to anything you wouldn't object to it.

Q. Go on, Mr. Hannah? A. What is the question, sir?

Q. I will put this question to you and you may illustrate it by your experience—I think you have sufficiently shown you are an expert—whether or not it is necessary that there should be understandings among steamship lines by way of regulating competition? A. I certainly believe it is absolutely necessary.

Mr. Guiler: I ask to have question and answer stricken out as being mere opinion and conjecture, and as the witness has not been qualified or shown a knowledge of the facts on which to base his opinion.

Q. Now, go on and tell me why from your experience you believe it necessary? A. The Inman Company with which I was identified from 1869 until it went out of existence, was at one time one of the most prosperous lines, and it was followed into business by the National Line, established to do the same class of business, and later by the Guion Line. Those three lines were strong lines in the trans-Atlantic trade; they all perished because of unregulated competition. I might add to that also the Monarch Line, which came into business later, and still later the State Line. So there are five lines that perished in the trans-Atlantic trade. Five out of eight British lines that did not survive.

Mr. Guiler: I ask to strike out the answer as the witness has stated a conclusion merely and has shown no facts or knowledge of facts on which to base it.

Q. What do you mean by perished? A. They were driven out of business; they failed; they became bankrupt.

Mr. Guiler: Same objection.

Q. And were picked up by other lines? A. Some of them were and some of them were simply abandoned. The National Line was bought up, and I think the present Atlantic Transport Line is the lineal successor of the National Line, and the Guion Line has no successor; it has simply gone out of existence. Of course, other lines strengthened themselves. As these lines went out it helped the other lines. The Inman Line became the American Line; the ships and the good will and rights were purchased by what is known as the American Line now; it was the Inman & National Line at that time, but they have all gone. Competition, fighting rates down sometimes as low as \$10, which meant less than \$8 to the steamship company for carrying a passenger 3,000 miles, and the heavy cost of running the ship; the steerage traffic not bearing its proportion of that cost; the ships running at a loss, soon exhausted the resources of the company, and they went out of existence, one after another. And only the stronger ones lived and then indeed those that were strong at one time became weak and finally, as I have said, failed.

4310

4311

Q. And that was due to no cause except unrestricted competition? A. None at all, no, sir. Of course, we have had commercial depressions which added to the strength of the competition, and what is true in New York here is equally true in Montreal, where we have now only one of the three original lines today, the one with which I am at present identified; there were three and now there is only one of those three.

Q. What three were they? A. The three were the Allan Line and the Dominion Line and the Beaver Line. Now, there is no Beaver Line now, and the Dominion Line has been absorbed by the White Star or the American National Mercantile Marine—

Q. Were those lines prosperous lines at one time?

A. At one time they enjoyed a fair degree of prosperity. I don't think they were ever strong lines, and they lasted in Montreal—I think one of them for probably twenty-five years—both of them nearly that length of time, and then went out.

4313

Q. What was the cause of their going out of business? A. Over competition; unregulated rates.

Mr. Guiler: Objected to. The witness should state the facts, not conclusions.

Q. Couldn't make any money? A. Couldn't make any money.

Q. Who acquired them? A. The Beaver Line died; what remained of it was acquired by the Elder-Dempster Company, and they were bought out by the Canadian-Pacific Railroad Company. But the ships are all gone now; they didn't run any of their vessels; sold them.

4314

Q. You said \$10, and you said the net was \$8; what was the other two? A. Commission to agents.

Q. At \$8 they were carrying at a loss? A. Yes, because out of that \$8 a passenger would have to be forwarded from Liverpool to Glasgow and that cost eight shillings, or \$2.50. They really did not get more than \$5 for the carrying of a passenger when the rates were down to \$10.

Q. When, after that, was the first combination or understanding to regulate competition? A. I presume that the regulation of rates has been a part of this conference from the beginning, it has been a part

of its work from the beginning, and the first conference was organized, I believe in 1868 on this side of the Atlantic; I mean a part of the work of that conference, not all of it, and sometimes not any of it; but it has been a part of it to regulate rates and prevent over competition, ruinous competition, so that one line would not be paying more commission to an agent than another line, and thereby getting an undue proportion of the business; and also to recognize the weaker lines and give them a lower rate in view of the fact that they were weaker. For instance, way back as far as 1868 there was a differential allowed to the National Line and the Cunard Line; the Cunard Line being a line of greater prestige and very much faster, and finer ships; it could not be expected that the National Line would get the same rate that the Cunard Line would get, therefore they got a rate of \$3 less; sometimes as much as \$5 less. Three dollars was the usual amount of differential.

4316

Q. What was the first combination or understanding or conference? A. You mean the first conference?

Q. I want the conference that fixed the rate at \$27 or \$28? A. I found back in the Conference Minutes of 1868 that there was an agreement concerning rates then and the rates at that time were as high as \$40 for the better class of ships running at that time, and this conference belonged only to the British Line; it had nothing to do with the French Line or the Continental Line, but it was a British Conference, an agreement amongst the British Lines. The Continental Lines did not come in for some years later and then they formed a conference of their own. It was not a part of the British Conference. I think about 1875 they formed a conference.

4317

Q. You told me of some conference that fixed a rate; it was not \$40, but less? A. Well, for in-

*George Hannah*

4318

stance, in May or June, 1869, the Cunard Line rate was \$40 for British business, and the Inman Line rate was \$37. The Continental rate was \$45 and the Scandinavian rate was \$50, and the charge for infants at that time under twelve months, was \$5, whereas, today they are \$3. Children were half fare; children between one year and twelve years were half fare, just as they are today; but infants they charged \$5 for, today we charge \$3; today our rates for steamers that make the passage in five or six days less time, and are three times as large as those were, and I suppose ten times as well fitted up, our present rate is \$31.25 or \$8.75 less than they were back in 1869.

4319

Q. What was furnished to the steerage passengers at the time you mention? A. In my earlier days in this business the steerage passenger had to buy what is called his own outfit; these outfits were sold on the wharf here in New York, and at Liverpool and Glasgow—wherever the steamer sailed from. The bundle was tied together, consisting of a mattress, blanket and a pillow, and a tin pan and a tin pail for washing in, and knife and fork and spoon and a cup, and the whole of that cost ten shillings, or \$2.50. The passenger carried it on board on his back or his arm and was abandoned when he left the ship—thrown overboard. That really had to be added to the price of his passage, so what I called \$40 cost him \$42.50. They were absolutely necessary. The food was carried around in large tin pans and the steward dug a fork into the pan and put a chunk of beef on his tin plate, filled his cup with coffee or tea, as the case might be and passed on to the next.

4320

The passengers slept in rooms consisting of thirty-two berths; that is to say, it was an enclosed space with six berths along one side and six berths over that, and the same on the other side, with a little alley-way

about that width between (indicating). The alleyway between the two rows of berths would be about three feet, and the berths were six feet long and three feet wide. Each passenger had a space of two feet three inches wide and he took his clothes in there with him. If he had a trunk he could fight for the space under the lower berth, providing the things would go there. That is what the steerage passenger got back from 1860 to probably 1880. Earlier than 1860, but from my own knowledge from 1860 to 1880. Now passengers are berthed in four berth rooms; bedding is supplied; blankets, pillows, clean towels are hung in each room for each passenger, a water bottle with two clean glasses in each room, a mirror is in each room to look at in the morning; there is no water as a rule placed in the rooms because of the fact that the steerage passengers would wet each other's property in washing in the rooms, and there are fine lavatories with running water where they can go and wash and back to their rooms again. There are two berth rooms for men and as I have just said scarcely any room, perhaps a few on each ship, carried more than four passengers, and all their crew. All their tables are laid with white cloths, burnished ware and everything served from and kept in order by various stewards and stewardesses. There used to be only one stewardess on each ship, who never went near the steerage at all; there are stewardesses and a matron on every steamer today. You see the accommodation is almost incomparably better.

4322

4323

Q. That is true of the steamers generally? A. I cannot speak for New York, but I think it is equally true here. I inspect those ships every day before they sail and we sail three steamers a week from Montreal, and every one of those rooms are inspected by me before the ship goes out, so I am speaking what I know actually about. It depends altogether on the steer-



*George Hannah*

4324

age passenger himself as to how comfortably he crosses the Atlantic. In one of these rooms—I would often rather go in the steerage than in the cabin; it has an absolutely clean deck, clean as snow, you can eat your food off of it, and if four clean men go into that room it remains so all the voyage. The tables are nicely set, tastefully laid out and the food is good in general.

4325

Q. Then they get more air, more comfort, more conveniences? A. Answering that question, for instance, our steamer today of 10,500 tons and 11,000 tons carry only 950 third-class passengers, whereas the steamers I speak of, of 3,000 tons, I have known to bring 1400 passengers in it from New York.

Q. That was cruelty to animals, wasn't it? A. That was the way the steerage passengers were accommodated in those days.

4326

Q. How about bathrooms and hospitals? A. In every ship there are three hospitals; there is the maternity hospital, the contagious diseases hospital, and there is another hospital for diseases that are not contagious, a man that has broken his leg or anything like that, and there is a bathroom or water closet adjoining and where there are people unable to go to the bathroom or water closet there are bed-pans and wardroom stewards to take care of them.

Q. What is the condition as to speed? A. Our ships make the passage running—not the fastest ships but the \$31.25 rate applies making the eight days; leave Glasgow on Saturday and reach Quebec on Sunday morning or Saturday evening.

Q. What speed did the old time ships make? A. I have been twenty-two days crossing the Atlantic on a steamer myself. Thirteen to fourteen days. I know the Inman Line used to advertise in the old days eleven to thirteen days, but we were advertising and were apt, like other people when they advertise, to put the

best face on it that we could, and the ships ran on what they called six week rounds, and if you got in on the fourteenth day we were fairly well satisfied; we had a week to lie in port. They were not the fastest steamers running to New York; then the Cunard steamers beat us a little bit and were perhaps two days faster.

Mr. Guiler: They were not as large as those you are talking about?

The Witness: Two or three thousand tons.

Q. What is the difference in the cost of ships now and then? A. I haven't any figures on that point, but I should say the cost of a steamer today is four times as great as the cost of the ships that were running then. And if you choose to take the larger ships on the Atlantic you can say ten times as great, but I am speaking of the ordinary ship, the ships that are not Lusitanias or the Mauretianas—are not making any stir in the market—our Crampian and Hesperian and Corsican, built within the last five years, would cost four times as much as the steamers running in 1875, such as the City of Chester, City of Richmond and City of Montreal, vessels of that class running here; the City of Brussels.

4328

Q. You are speaking now of the investment in the ship itself? A. Yes.

4329

Q. In the old days what was the difference between the charges or rates in the steerage and the second-class, if you had a second-class or first-class? A. The second-class did not exist in those early days; there were no second-class; first-class and third-class.

Q. By the earlier days what do you mean; what years? A. Well, I don't think the second cabin—the second cabin probably about 1880; not before 1880. The Cunard Line used to have second cabin in the steamers, but they carried no steerage. They carried no third-class at that time. When they began the

third-class I think they had probably the second for a while and then the second-class began again as a better steerage; it was called intermediate and it was not as good. It certainly wasn't any better than the steerage is today. It was to give the passenger a family room, a six berth room and slightly better fare, and supply them with sleeping room and bedding and napery and cutlery and knife and fork and plates and take care of them, and for that there was a charge made. It never exceeded \$10 above the steerage fare, but \$10 more than the steerage fare and was called intermediate. Now, the second cabin is very little different from the first and costs more. Where the steerage rate is \$31.25 the second cabin is \$50; that is \$18.75 more than the steerage, and perhaps \$30 less than the first cabin. It comes midway between.

4331

Q. The increase then in the cost of the second cabin is very much greater than the steerage? A. Yes. There is no increase in the first cabin rates, except in very fast ships, such as those of the Cunard Line and North German Lloyd these steamers that cross the Atlantic in five or six days. For instance we have steamers now running from Glasgow to Montreal where the cabin rate is \$70, and we have other steamers where the cabin rate is \$80, that is sixteen pounds. You can go back fifty years and you will find the Cunard Line rates between Liverpool and New York on steamers that took ten days to make the passage were twenty-six pounds, about \$130 in round figures. You pay for the very fast vessels and the difference today is that they have introduced what might be called superlative accommodations into ships, outside rooms, sitting rooms, which were unknown in those days. When you paid your twenty-six pounds you got the best in the ship and that was all there was to it. You couldn't get better than that; but now you can pay \$1,000 for passage across the Atlantic and have a suite of rooms on the Lusitania.

4332

Mr. Guiler: You are talking about first-class now?

The Witness: Of course; this is all first-class.

Q. Are you able from your experience and knowledge of the conditions to state whether or not in your opinion the current rates are reasonable rates, or are not reasonable rates.

Mr. Guiler: I object on the ground that the question calls for a conclusion and the very point at issue and ask to have the question and answer stricken out.

A. I think they are very reasonable considering what is done for the passengers. The distance the passenger is carried is 3,000 miles; the highest charge is \$31.25. This is a small fraction over a cent a mile, and feed the passengers during that time, and provide him with medicine if he is sick; provide him with a doctor and charge him one cent a mile. I don't know of any traveling in the world that is as cheap as that, by land or sea.

4334

Q. It is relatively very much lower than it once was? A. Relatively, in view of the accommodations provided.

Q. You have been required by the Government, haven't you—

Mr. Guiler: That is all subject to my objection.

4335

Mr. Spooner: Everything is; you can move to strike the testimony all out.

Mr. Guiler: I do so move.

Q. (Continuing): To make certain changes in your ships which involved a larger expenditure of money?

A. That is true perhaps only of the steamers that run to Boston; if you are thinking of the United States requirements, but I should also explain that the Canadian Government follows very closely after the United

4336

*George Hannah*

4337

States Government in all their requirements; they make a study of all the advantages demanded down here and put it into effect in Canada. Almost all of those requirements concerning cubic air space and ventilation and sanitary arrangements are almost all the same in Canada as they are in the United States. Our ships can run to Boston as they are running to Montreal and fill all the requirements of the United States Government, and they certainly are much more onerous than they were twenty-five years ago, but they are all in line of the comfort of the emigrant, giving him more space. The ships cannot carry anything like the same number of passengers as they could twenty years ago. We could not carry any more, for instance, say 950 in one of our ships that are 11,000 tons when, as I have already said, in steamers of 3500 or 4,000 tons we have carried 1400 passengers, so that that is the difference between ships twenty-five or thirty years ago and the ships of today.

Q. Then you would regard these rates as reasonable rates, having regard to or considering the elements of additional cost in accommodation, improved steamers and facilities in every way as entirely reasonable rates?

4338

Mr. Guiler: I object and ask to have the question struck out on the ground that it calls for a conclusion and because incompetent and irrelevant.

A. I think so, sir. I don't think any reasonable person examining the accommodations provided for passengers can form any other conclusion than that.

Mr. Guiler: I ask to have the answer stricken out for the same reasons.

Q. Have any competitors been driven out of business to your knowledge from the operation of this

agreement "AA" which is spoken of? A. None that I know of. Well, I am not conversant with the situation in New York so well as some others are, but none that I know of.

Mr. Guiler: I ask to have the question and answer stricken out as calling for a conclusion.

Q. Do you know how many steerage passengers you carried last year altogether? A. Westbound we carried 49,291.

Q. And eastbound? A. One minufe, I want to add something more to that, if you will allow me to change those figures; it is 51,976; I omitted the Boston service when I spoke.

4340

Q. Of that number you carried to Boston— A. 2,785 went to Boston and 4,106 of the passengers at the other ports were for the United States.

Q. But you had nothing to do with it after you discharged them at the other ports? A. No, they went through to the United States. We paid head tax to the United States on 4,106 of that 51,000.

Q. But their relation to the Steamship Company was ended when you landed them in Canada? A. Yes; the railroad company took hold of them then.

Q. That was not commerce of the United States? A. No.

4341

Mr. Guiler: I move to strike out the question and answer as calling for a conclusion.

Q. What changes has there been, if any, since the early years in the course of operating the ships? A. Crews' wages in the last twenty-five years I should say they are 20% higher than they were, and I presume the cost of provisions is 40% more than it was, the cost of supplies, than it was twenty-five years ago.

Q. You mean wages on your ships? A. Wages on our ships; wages of firemen, sailors and stewards.

Q. Even those ships which sail from Glasgow to Canadian ports? A. Canadian ports, yes. When a man got three pounds ten he is now getting four pounds ten a month; where they were getting four pound ten a month they are now getting five pound ten a month. They have Unions now; working under a Union System amongst the seamen and the cost is certainly 20% more than they were twenty-five years ago.

Q. What other items of cost; how is coal? A. The coal is nearly double what it cost 25 years ago. Coal is becoming scarce in Great Britain; they have to dig deeper for it; the cost of mining is greater now, and the cost of delivery is greater and the quality of the coal is poorer; coal is not so good; where they were paying twenty shillings a ton twenty-five years ago they are paying about a pound now.

Q. What other elements of increased cost that occur to you? A. There are none that occur to me. The three times are crews wages and stores, the cost of the ship, you have that. Of course, shore expenses, the office expenses.

Q. And stevedoring expenses? A. Yes; stevedoring wages have all increased in like proportion.

Q. How about the wireless? A. Well, that costs—I was almost going to say that was something that was forced upon the steamship company, but they have found it to their advantage to have that there, but we have to carry a whole lot more people.

Q. It is required as a measure of safety? A. Yes, but it is an added expense. These wireless operators have to be provided with a room to sleep in, and have to be attended at the table, and be supplied with food and take away the possibility of carrying that many passengers, and the Government requirement for statistical information—the Canadian and American Governments both do—to carry three officers more

where we carried one in those days. We carry four now. It is not so much the cost of their wages, but the space they occupy. Every officer who occupies a room takes away the possibility of carrying three passengers.

Q. Any other elements of increased cost that occur to you? A. None occur to me in addition to that.

Q. Do the immigration laws involve an increased cost to you? A. In the way I have been speaking of; only in that way that I can think of. The increased space for passengers, the height between decks, for instance. As the berth decks are extended, of course, the cargo is shut out from the decks below that. The possibility of carrying cargo is lessened by widening the space between the decks here. If you take the space between the main deck and the berths you take away cargo space, and the demands of the United States Government and the Canadian Government have put into operation all the time—while they have been making for the comfort of the passengers they make it cost more to carry them.

4346

Q. I will ask you this question, whether in your opinion in view of the present requirements, not only governmental but otherwise, of steamship companies a line can be maintained without some stability of rates?

4347

Mr. Guiler: Objected to on the ground that it calls for a conclusion without showing the facts on which it is based. Also for an opinion which on a merely conjectural matter. Also that it is immaterial, incompetent and irrelevant.

A. Judging from past experience I would say no, they cannot be maintained. The expenses of a round voyage of a ship you may say will be \$5,000 pounds and if you only realize 14,000 pounds you are 3,000 pounds short, and if you keep on for a sufficient num-



ber of passages you will exhaust your capital or surplus and you will have to stop anyway, and I am sure in the past myself, specially in New York when I was here, many a voyage has been made when the total returns of the voyage are not half of the amount of the disbursement, and the lines kept on as long as they could hoping that times would change and things would improve and rates would be better and largely from the fact of disagreement amongst themselves and the strong trying to oppress the weak they went out of existence.

4349

Mr. Guiler: All of this goes under my objection?

Mr. Spooner: I know.

Mr. Bullowa: The Senator reserves to you the right to move to strike it all out.

Mr. Guiler: I do now so move.

Q. Have you been engaged in any other business?

A. Never in my life; I have been in this business all of my life.

Q. Have you made a close study of the steamship problems? A. I am supposed to know something about that.

4350

Q. That is not answering my question? A. The only way in which I can answer that, I am about to retire from the steamship business at the end of next month, and I have in my pocket somewhere, not here, a letter in which I have been told by the man who has employed me for the last twenty years that I know a good deal about the steamship business.

Q. You have devoted your business life to this business? A. The whole of it.

Q. To steamships carrying passengers, different classes, including steerage? A. And the passenger business has been my business.

Q. And all of this time on the North Atlantic, be-

tween Great Britain and the United States? A. The United States and Canada.

Q. You said you were in New York how long? A. Twenty-five years.

Q. You have read this bill, haven't you; I mean the petition in this case? A. Yes, I think I have, yes.

Q. One part of it deals with the agency system which is now in existence; will you be kind enough to state—do you know when that was put into operation? A. Well, the agency system has been in operation so long as there has been steamship companies running.

Q. I know, but I mean the present? A. The difficulty that existed, say forty years ago, in New York here, was that anybody almost could get commission on a steamship ticket. I have known at 31 Broadway a policeman making \$30 a day by running passengers into the steamship offices and getting \$3 for every one he brought into the offices. He would watch them coming down the street; he knew them by their looks, and he came in after they went out and got his \$3. I have known in Liberty Street where there were two or three what they called bunco offices, where passengers were run in there to get their tickets and their money exchanged and got half sovereigns for sovereigns and put in belt and buckled about their waists, and I have known them to find pieces of lead. We have brought them back from Sandy Hook from the ship to prosecute these places; not one or two or three occasions, but by the score over a period of years. Along West Street there were any number of bunco shops, exchange offices so-called for roping in emigrants, with runners out working in behalf of these places. That all existed here in New York from the year 1870 to 1880. Yes, I can easy say from 1870 to 1880 until conference took a hold of it and stopped the payment of commission to runners. That is one of the good things this conference has done. No one could get a commission unless a duly authorized agent.

4352

4353

*George Hannah*

4354

Mr. Guiler: Objected to as irrelevant, incompetent and inadmissible.

Q. And that also stopped the swindling of emigrants? A. That also followed, and perhaps also the purification of politics in New York and public opinion, and all that sort of thing. However, those things went out of existence and the commission ceased to be paid, and one after another those places were closed up. I don't believe that condition of things that I am describing exists in New York today.

Mr. Guiler: Same objection.

4355

Q. How did the agents in those days act; were there not irresponsible agents also? A. All of these men I speak of were irresponsible agents.

Q. The agents of the steamship companies? A. Yes; they got their commission from the steamship companies. Some of them did not; some of them that were very bad did not get any commission; they simply swindled the emigrants for a living, but the better class of them here, every one got an agent's commission of \$3.

4356

Q. Isn't it true they would run emigrants into boarding houses? A. Yes, and each of the steamship companies in those days kept their own runner to patrol in front of their offices to see that their passenger was brought into their own office. That has all been done away with as a result of this conference. There was a regular runner for every steamship line, but besides the steamship line runners there were any number of other runners picking the passengers up on the streets and running them into other offices, sometimes one and sometimes another.

Mr. Guiler: Objected to as immaterial, incompetent and irrelevant.

Q. What effect has this change in the agency system had in respect to the interests of the emigrant?

A. The emigrant has not been swindled. I haven't read of any instance of that kind—I have not been going back here lately. Perhaps you know more about it here in New York than I do. We have it in Montreal now occasionally of an emigrant swindled, but it is no part of it sanctioned by the steamship company today. If that is done at all it is done without the knowledge or sanction of the steamship company, and the interests of the steamship company has been to crowd it out and stop it.

4358

Mr. Guiler: Objected to as not being on the knowledge of the witness and mere hearsay.

Q. What stopped it? A. The agreement between the steamship lines in conference stopped the payment of commission to runners at the boarding houses, and to places such as these exchange offices that I speak of; stopped all of that; stopped the payment of commission to any and everybody except authorized agents who hold the company's ticket and commission only be paid on the issue of a ticket by the agent to the passenger.

Mr. Guiler: Objected to as being a conclusion and incompetent.

4359

Q. That is, the ticket on a particular ship? A. On a particular ship.

Q. Before that these runners had tickets? A. Yes; they had orders, some of them, but they would get commission without that. They passed the passenger into the office and got the commission; boarding houses got commission. One of the best agents the Inman Company had in this City was a man named Isman who kept a Cornish boarding house in Front Street near the South Ferry; he used to have fifty passengers

*George Hannah*

4360

a week sometimes. There are no boarding house-keepers that I know of getting commission today anywhere.

4361

Q. State whether or not it is true that at one time prior to the formation of this agency system as you characterize it, there were agents throughout the country who would sell tickets and send the passenger off on some other ship by some contrivance at a lower price and pocket the difference, thereby swindling the passenger? A. Yes, a passenger was sometimes booked for one vessel when he thought he was booked for another vessel and he would get the higher price. Of course, that was cheap swindling, and a man came on to New York and found that he had a ticket on a ship not what he thought he was going on but for some other ship.

Q. There was a good deal of that at one time? A. Yes.

Q. Was that stopped by this system? A. There is nothing of that kind so far as I know now.

Mr. Spooner: Take the witness now, Mr. Guiler, reserving the right to recall him.

*CROSS-EXAMINATION by Mr. Guiler:*

4362

Q. Mr. Hannah, the Allan Line prior to the date May 25th or the 16th of December, 1908, took part in the fighting steamer proposition which you have mentioned against the Northwest Transport Company, did you not? A. I don't really know what they were against.

Q. At any rate took part against outside competition in that fighting steamer proposition as you term it? A. Yes; we were contributors to that scheme for that number of months.

Q. Do you know under what minute of the conference that was? A. I really don't know.

Q. Have you heard of Minute 22? A. I heard of it this morning, and I couldn't tell really what you were talking about.

Q. You don't know what that is? A. No.

Q. At any rate if there were any contributions to be made in consequence of running these so-called fighting or defending steamers you contributed to it the same as the other lines? A. For six months, yes.

Q. And also under Agreement AA for six months? A. Yes.

Q. Do you run any steamers in competition with the outside lines? A. No, sir.

Q. You were not called upon by anyone to do that, were you? A. Never. We never ran any steamers. I don't know if we were called on or not.

Q. And consequently to your knowledge you never had any claims for compensation yourself? A. So far as I know, no. It would not come through the Canadian office if there were any calls.

Q. It would be through the New York office, would it? A. No, not through the New York office, but through our British office. That thing was not done on this side of the Atlantic at all.

Mr. Spooner: If you did not run any ship you could not have any claim, could you?

The Witness: No.

Q. But at any rate you were a party, as you said, for six months to that fighting steamer proposition?

A. Yes, I understand you well.

Q. And participated in it and then withdrew? A. Then withdrew.

Q. And up to date you are a member of Agreement AA, one of the members signatory of Agreement AA and have continued to be a member under that agreement of the Atlantic Conference? A. Yes, sir.

Q. And your line has? A. Yes, sir.

Q. And is a member of it today? A. Yes, sir.

Q. And is complying with the terms of the AA Agreement is it not? A. I really can't answer that question because I haven't got in my memory at the present day the terms or I presume whatever the terms we complied with it.

Q. That is you lived up to them? A. We lived up to them, yes.

Q. Whatever it is? A. Yes.

Q. Do you remember whether the Allan Line is a member of any other agreement or has signed any other agreement?

4367

Mr. Spooner: I object to that question as incompetent and irrelevant and not proper cross-examination. We admitted in the answer that we are a member of the AA Agreement.

Mr. Guiler: I asked if he was a member of any other agreement.

Q. (Question read.) Has it signed any other agreement besides AA? A. I will have to familiarize myself with just what AA is.

Q. That is the 1908 Conference Agreement, February 5th, 1908, of which all the lines as I understand it, except the Northwest Transport Company signed? A. Is that the westbound?

4368

Q. That is the westbound? A. We are only partially in that, only one-third of our business.

Q. I was not asking for what proportion of your business? A. You asked if we were a member of that AA Agreement and without knowing it is the westbound agreement I answered yes, but now since you told me this is a westbound agreement I will have to correct my answer. (After examining Agreement AA), Now, allow me to correct my answer. We are in this Agreement AA only with reference to the Continental business, which is less than one-third of the whole.

Q. But you are one of the signers of the AA? A. Yes.

Mr. Spooner. That is admitted in the answer.

Q. Now, as to other agreements; I show you Government Exhibits 10 and 11 and ask you if you are members of the first and second-class agreements covered by those numbers; that is the Agreement V and Agreement W?

Mr. Spooner: Objected to as not proper cross-examination, irrelevant and incompetent under the pleadings. These Agreements do not relate to the subject-matter of this suit. 4370

A. It is a different kind of a thing altogether.

Q. I ask you if you signed those agreements? A. Yes, we are members of these.

Q. Those are first and second-class rate agreements, are they not? A. Yes, that is right, they are first and second-class rate agreements.

Q. And those agreements have been extended, have they not, to the present time? A. They are in effect.

Q. They are in effect today? A. Yes.

Q. And have been carried out by your line? A. Yes. 4371

Q. What lines during this period that you have mentioned, from 1868 on, have you been connected with? A. Practically two lines; the Inman Line and the Allan Line. The Inman Line as I explained became merged with the Inman and National.

Q. But your experience has been exclusively with those two lines? A. Those two lines, yes.

Q. And anything that you have said here in regard to other lines has not been from your personal experience? A. Oh, yes.



4372

*George Hannah*

Q. As an officer or member of those lines? A. Of course, those lines are in constant touch with each other and each knows what the other is doing with reference to rates, and there are certain practices that are common to all and all are affected in the same way, so that one cannot say it is ignorant of what the other is doing.

4373

Q. I would like you to answer that question; that is it is not from your actual contact as an officer or as an employe of the other lines that you state such facts as you have stated here? A. I am speaking for the Inman Line and the Allan Line and the Inman Line was as much like the Cunard Line as the Allan Line is like the Canadian Pacific Line in Canada.

Q. But the information you have given in regard to the other lines has been what you have been able to gather from your business experience? A. That is right; from personal contact with the people.

Q. Personal contact with other people? A. With the officials of the other lines while here.

Q. You have stated here that certain lines went out of business through unregulated competition with other lines and also through commercial depression? A. Yes.

4374

Q. Now, can you state which of those lines went out through one or the other or through both? A. I put the answer in lest there might be an element that did not relate to unrestricted competition, and commercial depression had undoubtedly had something to do with it. There were periods of commercial depression that swept over the country that affected the steamship companies, and that was undoubtedly an element; I should say much the smaller factor of the two.

Q. Might there not be some element, however, of business mismanagement or something of that sort?

A. I daresay that applied to one only you might think so but when it applied to a part of the seven lines it would scarcely be true. Men, pretty bright men, all in touch with each other, all watching each other, they were not likely to be all negligent.

Q. But there were some elements of that in all the cases? A. There might be; I wouldn't say there wasn't.

Q. All the men you have known in those lines you have mentioned were not equally bright? A. No, certainly not.

Q. Or equally capable of holding their lines together? A. It is not always the brightest men that succeed, though I believe I might say in my experience sometimes dumb luck helps.

4376

Q. And some of the lines which you mentioned there were absorbed, were they not? It was not a question of going out of business, they were absorbed by the other lines; they did not discontinue— A. The Inman Line was absorbed by the American Line; the Inman and National as it was named afterwards, they bought the assets of the Inman Company for what the Inman Company would take for them, their wharves and all things of that kind, and they went out of business and paid as many cents on the dollar as they could.

Mr. Spooner: They had to sell?

4377

The Witness: They had to sell.

A. (Continuing.) The Guion Line I think discontinued altogether. The ships were sold here and there and they went out of business. At one time the Guion Line had the fastest steamers running to New York. The first Greyhounds of the Atlantic were steamers of the Guion Line. The National Line steamers were among the largest freight and steerage carriers to this port of New York and they disappeared. Went out of business, and so with the Monarch Line and the

*George Hannah*

4378

State Line. The Allan Line and the State Line used their steamers for a little while and then discontinued them.

Q. What lines were particularly in competition with those lines which went out of business? A. All of them against each other. For instance, the Cunard Line, the White Star Line, the Inman Line, the National Line and the Guion Line, those five lines were all British Lines running to Liverpool. The State Line and Anchor Line ran to Glasgow; the Monarch Line I think also ran to Liverpool. I think it ran to Liverpool.

4379

Q. From your experience can you state whether the element of increase in tonnage had anything to do with some of these other lines going out of business, increase in tonnage and you might say decrease in number of emigrants at certain seasons? A. I think that question can be answered best by a little explanation. That line that was strongest when the cycles in ship building took place and was able to adapt themselves to the new idea; that is to say, compound engines, for instance, instead of the old direct acting engines where you had so much power for so much less consumption of fuel; where they could adopt the steel hull instead of the iron hull and put new vessels of entirely different construction and different engineering ideas—the lines that were strong enough to do that succeeded and went on; the lines whose resources had been depleted by competition could not do that and they had to go out. •

4380

Q. It was mostly the case of the other lines not being able to keep up with the times, wasn't it?

Mr. Spooner: Because they were cutting each other's throats. He answered that.

A. That is really the fact, sir. The competition weakened them and when the time came that they must change the formation of their steamers they were not able to do it.

*George Hannah*

4381

Q. The fact remains, however, that they could not keep up with the times, doesn't it? A. If they had a fair rate they could have done it and I think if today we were forced to reduce the rates of passengers down to \$10 instead of \$30 and engineering changes took place in the future as in the past we would have the same condition now. The same thing would happen again as happened then; it is a mathematical question. You cannot maintain a ship if you haven't got the resources to do it with. You cannot change one steamer into another if you haven't got the resources to do it with and you wouldn't have the resources if you did not make a good surplus to lay aside for the new steamers when necessary.

4382

Q. Isn't it a fact in your experience that in a great many of those cases where the lines went out of business it was the management of the business that was responsible for it by not laying up that surplus which you have spoken of? A. Because they haven't got it.

Q. They did not lay it up, did they?

Mr. Spooner: They didn't have it.

Q. The fact remains that they did not have it when the change came? A. There were years in which the lines did not make anything. They were questions of loss.

4383

Q. Will you answer that question the way I put it? A. They didn't have the money when the time came.

Q. Might that not be laid up to some extent to the fact that the management did not see far enough ahead? A. No, I think not.

Q. Not to any extent? A. I think I have already said there were a lot of duller men; all men are not created equal, and there were differences in the men in the steamship companies, and I don't know that the best men were in the business that succeeded, or the

4384

worst in the business that went out. I think sometimes that was the reverse of true.

Q. And sometimes it was true, was it not? A. And sometimes it was true, undoubtedly.

4385

Q. Coming back to that question I asked you before, I don't think I have had an answer to it yet. If you can answer this question I would like to have it. Did not the increase in tonnage and decrease in emigrants have something to do with some of the lines going out of business; increase in tonnage in some of the lines connected with the decrease in emigrants have something to do with some of those lines going out of business? A. Probably. I don't know that the two things took place at one time, increase in tonnage and decrease in emigrants. If they did it would probably have that effect.

4336

Q. Did not the increase—take the increase in tonnage alone, did that not have an effect on some of the lines dropping out by there being less emigrants for some lines than there were for others? A. One of the lines was ruined by increasing their tonnage, the Guion Line, for instance, by building the most modern and fastest and best equipped ships that ran to this port, the Arizona, Alaska and Oregon, and the Oregon, the finest of the three, and that finished them. The expense they went into in building the Oregon was their last straw, that caused them to go out of business, and it was not through the lack of business ability, nor the lack of enterprise or the lack of ships: they could not go on; they over exceeded themselves. The Cunard Line bought the Oregon from them and the other steamers were sold for what they could get.

Q. Yes, but I mean taking it as a whole, viewing the whole situation, say when the big rush of emigration came, or when there was a lack of emigration; from your experience can you not say that at some time or other there was, say, during the eighties or something

like that, such an increase of tonnage when these new engines and so forth came into vogue, that the result was that there were too many ships for the passengers? A. Yes. there were periods along, I think, about 1877 or 1878, when there was a great falling off in business and there was too much tonnage for the business that was going and therefore, there was too little of it to go around and the ships lost a great deal of money.

Q. And that was 1877 and 1878? A. 1876 and 1877, perhaps.

Q. Did that exist at any future period, that same state of affairs? A. Well, it had, I think, struck the steamship world just as it struck the commercial world; there was a panic, I think, before my day here, 1856 or 1857; that also affected shipping.

4388

Q. I mean take it at any later day within your experience? A. Yes, we had, I think, in 1894, a very bad time for a while; I don't know that any steamship lines went out of business through that, but business was scarce.

Q. But there had been before 1894 a great deal of construction of vessels for the transatlantic trade? A. There is constant construction going on of ships.

Q. I mean particularly around that time? A. I cannot remember that there were.

4389

Q. Don't you remember the increase of the ship building on the Clyde around that time? A. I cannot locate any increase about 1894; we got none ourselves in Canada.

Q. Then you wouldn't know about that? A. Perhaps I might not know.

Q. I thought from your experience perhaps you could say? A. I can't remember that there was any increase in ship building conditions.

Q. But take it in general, there has been from, say the eighties up to the present time, a constant increase

in the construction of vessels, has there not? A. Of course, there has been a constant disappearance of the ships that have been running. The lifetime of a ship is at the very greatest twenty years, and it is at its hey-day when it is ten years old, and it lasts ten years longer, maybe, as a second-class vessel and at the end of the twentieth year it is gone. I don't know that there are many ships that average twenty years lifetime; they are gone before that time. There is constant building of new ships to take the place of the old one.

4391

Q. During the eighties and nineties there was a constant influx of immigration, say from 1880 to 1890, or 1890 to 1900? A. Ten years apart; 1890 was just after the City of Paris and the City of New York and the Majestic and Teutonic were built, in 1889; they were four large ships that were added to the fleets coming here under the British flag.

Q. I asked you if there was an influx of emigration and especially a great influx from Ireland and Scotland? A. I can't remember just what the conditions were in 1890. I was here in New York at that time. I left at the end of 1892.

4392

Q. You did not follow that phase of it particularly, did you? A. No, I can't remember just what the situation was in 1890.

Q. You have noticed, however, a constant increase in the building of tonnage, haven't you, from the early days on, say from 1880 until today? A. Oh, yes, constant increase in the size of ships and the number of ships.

Q. And did that increase not become very acute around 1908? A. Increase in steamers in 1908?

Q. I mean up to 1908? A. Well, I think not acute, no; I should say it was normal, speaking for our own country.

Q. A steady increase, wasn't it? A. A steady increase in the number of ships built and in the size of the ships that were built: ships that were built along about that time were all ships of a very much larger class than had been built ten, fifteen or twenty years before.

Q. Are you acquainted with the emigration during the period from 1890 to 1898, sufficiently to state whether that was a steady increase also? A. No, I don't think it was steady. Indeed I know it was not a steady increase.

Q. It fluctuates a good deal, doesn't it? A. Yes; there were two or three years in which it was perhaps very good and constantly getting better and then it would fall off again, and always impossible to explain. It would be conditions that had to do with the commercial conditions.

4394

Q. Do you remember whether it was from 1900 to 1908? A. 1907 was the largest emigration we ever had, I think, in Canada. It waxed from then until 1907 and then it fell off in 1908 very much; in 1909 it got better again and in 1910 and 1911 it has been pretty steady, and I have in my hand two documents that show the stop came during 1910 and 1911, both very good years, but not as great as 1907.

Q. 1907 was the good year for emigration? A. With us in Canada anyway it was a great year.

4395

Q. But you cannot state as to other cities of the United States? A. I cannot say it was equally so here without recourse to the documents that I have not got here.

Q. The condition which you have spoken of under the conference I think you have said protects the weaker lines, does it not? A. Yes, by a differential rate.

Q. That is, the weaker lines are able to live, whereas



4396

*George Hannah*

they could not live if there wasn't those agreements; is that the idea? A. Exactly, that is the idea.

Q. And those agreements also contemplate, do they not, a certain fixity or stability of rates? A. Yes, they do; stability of rates.

4397

Q. And the rates are either fixed by those agreements which I have shown, first and second-class agreements, or subsidiary agreements to AA, are they not? A. There have been from the time that I have been connected with the business, that is 1868 until the present time, agreements amongst the lines for rates unless when they fell out and somebody kicked over the traces, and then there was war, which would last perhaps six months and great loss would occur; but all the time during that period there was an agreement of rates until just before 1908, when it was thought that these agreements being so loose in character that they were liable to fall away and cause fighting between the lines, that someone originated the idea of applying this—shall we call it a pool—a pool proposition.

4398

Q. I understand it is called that in some quarters? A. I wouldn't like to call it so. It is not the best name to apply to it. As making it much more durable than existed before this agreement, something that would last instead of something that would crumple away on any slight provocation.

Q. That is, rates were then agreed upon at the conference of the various lines or representatives of the various lines? A. Yes.

Q. In pursuance of these agreements which you have mentioned? A. Yes.

Q. In regard to purchasing supplies for vessels, have you had anything to do with that part of the business?

A. Well, I initialled the orders for supplies of stores for our ships every week in Montreal.

Q. But you have the information in regard to what supplies are purchased from somebody else, have you not? A. Yes, we have a purchasing agent.

Q. You have not personally done any purchasing?  
 A. No; we have a man whose business it is to do that, who studies the market, and we make contracts in the beginning of the season for the meats supplied from one concern, and butter and cheese from another, and eggs from another, and poultry from another and so on.

Q. And the same thing applies to the running of the vessel and the cost of the vessel; you have not had anything to do with that department? A. Nothing except from general information.

Q. That is information obtained from others? A. That as an officer of the company comes to my knowledge. 4400

Q. So that anything that you state about that in this connection is information that you have picked up from other people? A. I wouldn't say picked up. I just stated to you that every article of stores that goes on board the ships requires to be initialled by me before it goes out to the person that serves the ship.

Mr. Spooner: That shows the cost?

The Witness: No; the cost is arranged at the beginning of the season, from year to year, for a whole year.

Q. But, as I said, you have not either run a vessel yourself— A. It takes a good many people to run a ship. 4401

Q. I know, but you have not bought the supplies for the vessel yourself? A. No, I don't buy the supplies.

Q. Either coal or anything else of that kind? A. I don't buy the supplies.

Q. When you talk, therefore, of the cost of operating and the cost of supplies as being so much more now than it was some years ago you give that from what information you have learned from others, is that so? A. Yes. Nearly all the information we have we get from others in some way or other.

*George Hannah*

4402

Q. But not from personal experience in purchasing those supplies? A. I didn't buy any coal, but I knew it cost ten shillings a ton at one time and fifteen shillings at another, but I didn't buy it.

Q. That wireless arrangement you spoke of, that is not a material increase in the cost of running a vessel, is it? A. Yes, it is a material increase.

4403

Q. How much would it take to run that wireless stuff? A. I don't know what it costs to run the wireless station; I know what it costs to carry the men. We carry now two operators on each of our steamers who are required to be supplied with a stateroom, and that excludes two cabin passengers, and we have to feed these two persons, and we have to contribute a certain amount to their wages and there is a certain amount of expense connected with it.

Q. How much expense would that cover? A. Well, if we add together the wireless operators and the extra pursers and extra people we carry, we are carrying I presume ten more special officers now than we carried ten or fifteen years ago, there is the accommodation to be supplied to those ten persons together with their wages and food and the displacement of passengers that that caused.

4404

Q. And the capacity of the vessels has increased as you said from early days? A. Yes, but, of course, it costs more to maintain a larger ship? A ship of 10,000 tons cannot be maintained on the cost of a ship of 4,000 tons?

Q. No, but take the ship of 4,000 tons and take the ship of 10,000 tons, supposing the ship of 4,000 tons—I am just taking an incident, I don't know myself—costs \$5,000 to run—I have no idea what it does cost, but I put it at that figure—one voyage—A. Put it pounds rather than dollars.

Q. 5,000 pounds, take that, a ship of 8,000 or 10,000 tons would not cost proportionately twice as much

as that, would it? A. Twice and a half as much to run it; a ship of ten thousand tons would cost twice and a half as much as a ship of four thousand tons.

Q. What I mean is the cost of running a vessel decreases with the tonnage, does it not? A. No.

Q. That is, if you have a vessel that costs \$5,000 to run and you have a vessel twice that size it will not cost \$10,000 to run it? A. Yes, that is so far right.

Q. That is as to size— A. The cost does not increase in proportion to the size of the ship, only with this exception: that you take a ship of 15,000 tons, a cargo steamer of 15,000 tons will not cost very much to run; that is to say, it would not run into very big figures, but you take a fast passenger steamer of 25,000 tons and she will cost ten times as much as the cargo steamer of 15,000 tons.

4406

Q. I was assuming that other things were equal? A. Yes.

Q. I was assuming that speed and everything was equal? A. Yes, it would not cost twice as much to run the ship of 10,000 tons as it would the ship of 4,000 tons.

Q. So that the cost of running the vessels does not increase in proportion to the size? A. No, you are quite correct in that.

Q. You were stating something in regard to the so-called bunco agencies here; your experience in that line was during I think 1870 to 1880 here in New York, was it not? A. Yes.

4407

Q. About that time? A. Yes; between 1870 and 1880.

Q. And since that time you don't know the conditions in New York with regard to that? A. I left New York in 1892. At the end of 1892 I left New York but the situation in New York had cleared up very, very much for many years before I left here. Therefore, I put it specifically between the years 1870

*George Hannah*

4408

and 1880. I was twelve years here after 1880 and the conditions were very much better.

Q. Where would you put the day when you say the conditions were very much better than it was during 1870? A. It was a gradual disappearance; it did not clear up in a day or a year; it gradually went away and the best thing that was ever done to abolish it was the agreement of the steamship lines with each other to abolish the payment of commission to runners and boarding house people.

4409

Q. The conference, however, has a rule, has it not, rule 9, which prevents any of your agents from acting as agents for other lines, has it not? A. If there is such a rule as that it is a rule that is not insisted upon.

Hearing adjourned until Thursday, November 21st, 1912, at 11 o'clock A. M.

4410

## UNITED STATES DISTRICT COURT,

4411

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,

against

HAMBURG-AMERIKANSCH- PACK-  
ETFAHRT-ACTIEN-GESELLSCHAFT  
and others,

Defendants.

Before:

Charles E.

Pickett, Esq.,

Examiner.

New York, November 21, 1912.

4412

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the  
Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles C. Burlingham, Esq., for the Anchor Line,  
Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
for the Allan Line, *et al.*

4413

Messrs. Lord, Day & Lord, by Allan B. A. Bradley,  
Esq., for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
Asiatic Company, *et al.*

4414

*George Hannah*

George Hannah, recalled:

*Cross-examination by Mr. Guiler (continued):*

Q. I was speaking last night, Mr. Hannah, about the matter of agents, and I have asked you about Rule 9 of the North Atlantic Passenger Conference; you are acquainted with the rule, are you not? A. I would like to refresh my mind.

Q. I show you Government Exhibit No. 20, and Rule 9 is there? A. Yes, I know this document.

4415 Q. And you know something about the workings of that rule, do you not? A. The answer to it would be that the whole thing is practically a dead letter; I don't think that this has been circulated in the last ten years, and it is more than ten years since it was printed.

Q. I know it, and some of the witnesses have testified that it was in effect now and was going on? A. At any rate the agents forget it. It is not referred to in the correspondence; there wasn't from our concern.

Q. Rule 9 was to the effect, was it not, that agents could not act for outside lines, other than the conference lines? A. Yes, practically that.

4416 Q. And that was carried out, was it not, by all the lines in the conference? A. No, not as far as our line was concerned it was not. I can't say about the others, but as far as our line we did not insist that they should not act for outside lines.

Q. Were you willing to have them act? A. We let them act.

Q. Even contrary to the rules of the conference? A. That, as I say, has been practically a dead letter; that was circulated many years ago and has almost passed out of thought.

Q. It has been so far as your line is concerned, but you do not speak for the other lines?

Mr. Spooner: He does not assume to.

Q. But as far as your line is concerned it never mattered to you whether the agents acted for outside lines or not? A. No, we have not insisted on them giving up the outside lines.

Q. So, so far as your line is concerned the rules for the agents and regulations for the agents which you mentioned yesterday has not been of importance to your line? A. Some rules we would insist upon you know; the prompt remittance of tickets; the refraining from criticizing the other lines; refraining from inserting newspaper advertisements concerning other lines, things of that kind; but this particular rule which you speak of we have not insisted upon.

4418

Q. When you were referring to the criticism of other lines you were referring to those mentioned in a letter from you to Secretary Peters, which is marked Government Exhibit No. 1246? A. I never wrote to Secretary Peters, sir.

Q. From your line; what purports to come from your line to Secretary Peters; that is, that one line should not say that it had the finest boats or the most wonderful ships in the world? A. I never saw this letter before; never had any knowledge of it.

Q. You had no knowledge of it but it appears to come from Mr. Peters, secretary, does it not? A. Yes.

4419

Q. And appears to have been sent to him? A. Yes; if it was sent it was sent from our London office.

Q. Then your London office takes charge of any conference matters— A. In Europe.

Q. Dealing with Secretary Peters, and not you? A. Yes, not me.

Q. But you would not say that that was not sent from the London office? A. No, sir.

Q. Now, I will read to you from Mr. Ismay's testimony on page 1013, a question that was put to him



4420

*George Hannah*

as follows: "Now, Mr. Ismay, let me refresh your recollection by calling your attention and showing you what purports to be a report of the Royal Commission on Shipping Rings, page 219, volume four. It is the testimony of Harold Sanderson and is as follows: "—as it is stated here, it is the testimony of Harold A. Sanderson, and is as follows: "—in regard to the pool, the existence of the pool'"—What is their object and purpose? A. The object I should say was to bring about the mutual understanding between those in the trade with a view to maintaining the rates avoiding unnecessary competition, supplying the trade to the best advantage and avoiding clashing in sailings and otherwise working the trade advantageously for all concerned," and then it went on: "Does that refresh your recollection in any respect with regard to the purposes of pools?" and the answer was: "That is Mr. Sanderson's view." Another question was: "Have you found it in your experience a correct or an incorrect view? A. I think it is very fairly correct." Do you agree with Mr. Ismay and Mr. Sanderson on that? A. Yes.

4421

Q. In that distinction? A. Yes, that is fairly correct.

4422

Q. Now, supposing, Mr. Hannah, that the vessels of all the lines that are carrying steerage passengers were running at their full capacity, would there in your opinion be any necessity for conference or for a pool? A. No.

Q. There would not? A. No, if they were running all the time at full capacity nobody would bother with anybody else.

Q. You wouldn't need to worry about anybody else? A. No, I guess not.

Q. The trouble is, then, Mr. Hannah, that some get more and some get less, isn't that the idea? A. Yes, of their share of the traffic.

Q. Some get the lion's share of the traffic? A. Yes.

Q. And the result is the conference equalizes that?

A. Yes, by giving differentials to the weaker line. For instance, the Egypt you mentioned a little while ago about crossing on, used to have a differential as against the Inman Line of about \$2 and that differential gave the National Line a good fair share of the steerage business, with the \$2 differential.

Q. That is, the conference gives them a certain percentage that has been allotted to them of that business? A. No, they do not; the conference never did that.

4424

Q. Can you explain it then? A. Yes, the conference—the managers of the Conference Line met together and the manager of the National Line is claiming for his line a differential in the rate as against the Cunard and Inman Line, because each one was a larger cargo carrier and not so good a passenger steamer, and they said we will give you a differential of \$2 or \$3 for your steamer as against ours, and that line was satisfied with the \$3 differential and got its share in the business. If they had not got that they would cut into the rates of the other people because they could never get their share on equal terms; therefore, there would have been a cut in the rates, which would have been met with another cut and another cut and so on down to the minimum of \$10.

4425

Mr. Spooner: What would have happened to the weaker lines?

The Witness: They would have gone out, as subsequently they did.

Q. You never in the steamship business approached that Utopia that I have spoken of? A. Never, and never will.

Q. All the boats have been full? A. At times it has been so.

*George Hannah*

4426

Mr. Spooner: And the Government means it never shall.

Mr. Guiler: No, we mean they shall.

The Witness: They only will accomplish that by having a monopoly and dropping out all the weaker lines, which, if the Government takes the action intimated in the bill might have that possible effect. If they dissolve all these arrangements then the fight is to the strongest and the strongest will survive and the weaker ones can die.

Q. That is true of every business, is it not? A. Possibly.

4427

Q. And it is true of individuals also? A. But it is unjust that it should be so. I thought we did not want monopolies.

Q. Then the reason for the conference principally is to divide up the percentage of the business? A. No; the conference never did that. The conference arranged the rate and each company got as much business as it could with those rates; as much as it could; it never divided the business. If you speak of a pool—

Q. They pool the business? A. That is another thing altogether, and I would like to put myself on record here as distinguishing absolutely between a conference and a pool.

4428

Q. Will you distinguish between the two? A. A conference I have said a minute or two ago was where two or three men came together, one representing each line, and arranged for the operation of their several lines, both as to runs, rates and many other matters, and one said you will be satisfied to have \$32 for your line, and you will be satisfied to have \$25 for your line, and you \$30 for your line, and each of these differences was because of some confessed knowledge of superiority or inferiority on the part of one or the other of these lines. Then they would publish their

rates on that basis and adhere to them for a time at least, and that was the differential; they each got as much business as they could; they could beat each other as much as they liked. There was no division of the business then. That was done in conference in the year 1868.

Q. Now, take the pooling arrangement under AA?

A. The pooling went further than that; it was made by some of the Continental lines, not the British lines—they never were ingenious enough I think for that. That conference was not effective enough to secure the desired end. They were continually breaking away from it and falling into violent opposition with each other and fighting those higher rates we have referred to, causing tremendous loss and uncertainty. Therefore, the Continental lines for years before this agreement you spoke of here, made an arrangement between themselves that they would divide the business on the continent of Europe in that way. 4430

Q. That was about 1892, wasn't it; that was the so-called N. D. L. V. Agreement? A. Yes. I am not sure of the year. They brought the British lines into that arrangement in 1908 and a statement, which was admitted to be practically correct, that a conference could not effect this very desirable purpose because of the reason that it was not solid enough; it would not hold. They were continually breaking away from it and this has secured stable rates. It has not advanced the rates particularly, but the rates have been equal to all lines during that period. 4431

Q. The rate which you spoke of yesterday of \$31.25, that is not the regular rate, or conference rate; you get some differential, don't you? A. No, sir; that is our rate in the conference. Again you come back to the differentials; we have a differential; that is not the lowest rate, I think there is a still lower rate.

*George Hannah*

4432

Q. You know as a regular thing the rates were somewhere near \$38 to \$42? A. Some of the lines here, take the steerage passengers who cross on the Mauretania or Lusitania—

Q. I would rather except them; they are in a special class? A. Take some of the North German Lloyd steamers, the Olympic, ships of that class, if they want to cross on that ship they can, but pay a differential rate, a higher rate; whereas, the ordinary rate on an ordinary steamer is about like our rate, \$31.25, and that is practically no higher than it was ten years ago. I think it is \$1 25 higher than it was ten years ago.

4433

Q. Mr. Winter in his testimony on page 1412 before the hearing on House Resolution No. 543, in volume two of that testimony has stated in answer to this question by Mr. Hawley: "Suppose an independent steamship company has a vessel sailing on Thursday, and there is a reduction of rates to meet that ship's rates of sailing and the vessel of the conference designated to take the passengers over should carry 1,000 passengers, at \$21 apiece, for illustration, would the loss to that particular ship, below the published and general rate of the conference lines, be apportioned among the several lines?" and Mr. Winter said, "It need not necessarily be a loss, Mr. Hawley." Now,

4434

do you agree with Mr. Winter in that that the rate of \$21 would not necessarily be a loss? A. On a thousand passengers?

Q. Yes? A. It is pretty difficult to determine just the loss on a steerage passenger because, no doubt, as Mr. Ismay or someone else explained, the total earnings of the steamer are taken, the earnings from the cargo, from cabin passengers and second cabin passengers and steerage passengers that take the trip, the voyage, we will say that is all added together; the disbursements for the voyage of the steamer is taken on the other side of the same book and it is either a profit

or a loss. A ship may have a large passenger list and still have a loss if she has practically no cargo. So it is very difficult to answer that question yea or nay. It depends on other conditions, whether they would be profitable or unprofitable. For instance, I should think it would be very much better to have a thousand passengers at \$25 apiece than one hundred passengers at \$35 apiece.

Q. Then you agree with Mr. Winter in saying that it would not necessarily be a loss? A. I think that practically says the same thing. If they had a good cargo they would come out all right.

4436

*RE-DIRECT EXAMINATION by Mr. Spooner:*

Q. What increase has there been in steerage rates of ships during the last ten years? A. To the best of my recollection there has been an increase of \$1.25.

Q. Why was that increase made, and what does it represent, if anything, in the way of added cost? A. There was first an increase I think of a dollar on account of the increased cost of coal, which has nearly doubled itself.

Q. When was that? A. About four or five years ago; and then there was an increase of twenty-five cents that grew out of a strike, a large labor strike, that we had in England.

4437

Q. When was that? A. That was two years ago, and twenty-five cents was added to make up for the less that was incurred by that class of the population of which our steerage passengers consist.

Q. Did that strike result in a permanent increase in the wages of the men? A. Yes, I think it did.

Q. And that necessarily increased the cost of doing the business? A. It put the lines to such a very great expense while the strike continued, and while the ships were tied up, and also when they resumed their sail-

4438

*George Hannah*

ings the trade had to stand it in some way, and they had to make it up in some way.

Q. And that resulted in a permanent increase of cost? A. Yes, a permanent increased cost.

Q. You recognize the difference I suppose between the transportation in respect to competition and all that and arrangements on ocean and on land between railways on land and ships on the sea? A. The railways on land are regulated by agreements in rates I believe.

Q. I don't mean that; under the Interstate Commerce Laws? A. Yes, the Interstate Commerce Law permits them to agree upon a rate.

4439

Mr. Guiler: Objected to as the law speaks for itself.

Q. You mean in Canada? A. Also in the United States. There are agreed rates from here to Chicago and San Francisco between the railroad companies. Immigrant rates have been secure and stable from New York to Chicago for a great many years.

Q. Do you mean to say that because the rates are about the same between here and Chicago that necessarily there has been an agreement? A. I think so; that is my opinion. Some agreement between them concerning the rate.

4440

Q. If one railway company fixes and publishes a rate must not its competitors carry at the same rate? A. Well, that sometimes applies; sometimes it does not. For instance, the Pennsylvania Railroad instituted a rate one time from here to Chicago of \$1 and nobody else followed it.

Q. Since 1887? A. About 1887 it was, or 1888.

Q. Was that since the Interstate Commerce Law was passed? A. I couldn't say whether it was before or later; it was about that time; in 1887 or 1888 which made the rate—for one whole season they carried immigrant passengers from New York to Chicago for one

dollar and nobody else followed it. The nearest approach thereto was one of the railroads charged \$5. The rate today I think is \$15 by all lines.

Q. What was the difference between the effective rate and the character of the business transportation on the ocean and on land? A. Well, of course, on the ocean we feed the passengers; we take care of them; we house them and provide accommodation more like a boarding house and give them bedding, eating utensils, and provide a table for them. That the railway company does not do. The man must get off at the railway station and buy his food. He does not on a steamer.

4442

Q. It is not absolutely necessary that a railroad train should have freight, is it? A. No, but they have separate trains for that purpose.

Q. You are obliged, however, on the ocean to have it? A. Of course, that is the very great question. I don't know whether it has entered here or not, some ships carry very little cargo—some very large ships carry very little cargo and some comparatively small ships carry a very large cargo. The *Mauretania* and *Lusitania*, of 35,000 tons, carry a very trifling amount of cargo, less than a thousand tons—perhaps only 500 tons, and you will find ships on the Atlantic—we have some of them—of 11,000 tons burden that carry 6,000 or 7,000 or 8,000 tons of cargo. In other words, a ship of 10,000 tons carrying five times as much as a steamer of 35,000 tons, but the one is a wholly passenger ship and therefore the differential applies; they must get a higher rate for passengers, both first, second and third-class.

4443

Q. What would happen—Mr. Guiler has called your attention to the question of whether it is necessary on the ocean that there should be some arrangement as to rates, and you said that if there were none the weaker lines would be driven out of existence? A. Yes.



4444

*George Hannah*

Q. Without some differential by an agreement, that is true, is it? A. I believe that is true, yes.

Q. Suppose they were driven out of existence and the weaker lines were taken off the route, there being four or five strong lines to carry on the business without any agreement as to it, that would mean a fight, wouldn't it? A. I suppose they would go on fighting until the last one swallowed up the others or formed some kind of combination.

4445

Q. Leave out the combination for the present. Suppose the weaker lines having gone out and no arrangement then is permitted as to rates between the strong lines, it is a fight then, is it, to the finish between them? A. Yes, between the strong lines. I would like to say in answer to that comment of yours that the sub-manager of one of the strongest lines in New York said to me about six years ago that another strong line was gunning for that strong line just as that line went gunning for the Inman Line when I was there twenty years before, and he said it was practically the same result.

Mr. Guiler: I want to reserve my objection as usual under the stipulation to the answers that have been given.

4446

Mr. Spooner: You have got that.

Mr. Guiler: On the ground of hearsay and other grounds.

Q. So that you would say as a man who has devoted his life to the steamship business that it is impossible, wouldn't you, to conduct that business on the ocean as it must be without some arrangement for the maintenance of reasonable rates? A. That is right, sir; I certainly say that.

Q. If they were not so, if they could make any such agreements, there would of necessity be a monopoly? A. Yes, that would be the case.

Q. What class of ships are you operating now? A. We have three classes of ships under operation; one first-class might be called fairly fast steamers, turbine steamers of seventeen knots, carrying the mail between Liverpool and Canada, a comparatively small amount of cargo, and fitted up only for first and second-class passengers.

Q. What do they cost, about? A. I am not able to answer the question; approximately I think those ships cost about one million and a half dollars each.

Q. What is the tonnage? A. Twelve thousand tons. The next class of steamer—

Mr. Burlingham: Is that net or gross?

4448

The Witness: That is gross registered tonnage.

A. (Continuing.) —the next class of steamer is a steamer of about two knots slower than that, fifteen knots; about the same tonnage; carries four times as much cargo and many less cabin passengers but an equally large number of second and third-class passengers as the other ship. She cannot get the first cabin passengers, they want the fastest and finest ships. A very commodious and very fast vessel, but second and third-class traffic.

Q. What did she cost? A. I should say about a million dollars each approximately, not professing to speak very absolutely correct. The third class, a still smaller steamer, steamers of about 8,000 tons and single screw vessels—the others were twin-screw vessels and older—running to London and Liverpool, carrying only second cabin passengers, no first-class passengers—second and third-class passengers and cargo, carrying a fair cargo for their size, and double the amount of cargo that the first class steamers carry, steamers of the first class that I have named, and on that the rate is the same, 31.25 each. The speed is about thirteen or fourteen knots—thirteen knots.

4449

*George Hannah*

4450

Q. What is the difference in the cost of the ships that the company is now operating and the ships of ten years ago or fifteen years ago? A. Well, the cost—we are building two steamers now that I presume will cost double the amount of the ships that were built ten years ago, the steamers at present under construction.

Q. What is the increase in cost of operating these ships as compared with the cost of operating the ships ten years ago? A. I think I answered that yesterday; I think it is on record.

4451

Q. I think you did? A. It is on record, I think.

Q. And the cost of coal that you put in? A. Yes, and food and wages; it is all on record.

Q. Has the public any interest in the maintenance and stability of rates? A. Yes, they have. No man wants to pay more than another man for the same thing. Nothing provokes a person more than to find that they have paid a hundred dollars for what somebody else paid \$75, either for the land or sea. And it comes down to the steerage passengers in times of war, it very frequently happens that—

4452

Q. What kind of war do you mean? A. Commercial war; steamship war. It sometimes happened one man bought a ticket for \$10 somewhere and another paid \$15; the rates were fluctuating so rapidly that between the \$10 and \$15 before the steamer sailed the rate changed twice, and one party paid the higher rate and the other party the lower rate, and sometimes there were three rates on one ship and that was very distressing to the party. The man who paid the \$10 congratulated himself and the other man who paid \$15 tried to get the \$5 back and he didn't get it because that was the rate when the ticket was bought. The company tried to protect itself from loss as much as possible and tried to save that \$5. Therefore there was general dissatisfaction to the travelling public when

there were fluctuations in the rate. There was no stability. Then another thing that was always more or less in effect while the steamship companies might try to provide the accommodation in some ample manner and food and attendance as at other times, it followed almost necessarily that with a very low rate, the rate of \$10, there would not be the same scrupulous attention to the details on board the ships for the passengers' comfort that existed where he obtained a reasonable rate, and \$10 is not a reasonable rate for carrying a man across the Atlantic.

Q. Canada has immigration laws? A. Yes.

4454

Q. Similar to our own; I mean with reference to the question of diseases and intelligence? A. Oh, yes; the same.

Mr. Guiler: Objected to as immaterial, incompetent and irrelevant.

Q. And character? A. Just the same, and in some respects they are more particular in Canada than they are in the United States as, for instance, in the United States a citizen can bring in his wife and children if they have trachoma, or any of these diseases which they make so much of; in Canada they cannot. They would not allow a woman to come in even if a wife of a Canadian citizen, or the children, if afflicted with those diseases; she is debarred and if she comes on board the ship she is deported. So they really have more liberty in the United States than they have in Canada.

4455

Mr. Guiler: I ask to strike out the question and answer.

Q. Is it your opinion, a reasonable, stable rate hasn't any influence upon the character of the immigrants who come? A. I think it has been found that a reasonable stable rate secures a better class of emigrants

*George Hannah*

4456

than this low \$10 rate. The reasonable rate brings a person who has husbanded his resources so as to pay the fare of himself and his wife and children. \$10, somebody can give him \$10 to send him out of the country and get rid of him, which is frequently done. It wouldn't cost much to send you to Canada, there is \$10 and buy a ticket and go. Thinking he will do all right if he comes across the pond. Usually he does not and finds his way back again, the Government will send him back too.

4457 Q. Then it is your opinion that the stable rate and a reasonable rate maintained has a perceptible influence upon the character of the immigration? A. Yes, it has.

Mr. Guiler: Objected to as a conclusion and calling for an opinion and conjectural.

Mr. Spooner: I think that is all except this: I shall want to recall him on another branch of the case with some statistics that are not ready.

Mr. Guiler: That is all right; any time you want him.

By Mr. Guiler:

4458 Q. Now, Mr. Hannah, on that ship on which you said there were three classes of rates, the accommodations are the same, are they not; that is, where one man pays one rate, the second man pays another and the third man pays another? A. Yes.

Q. So that the advantage in that respect is the same—some are better off than others on that vessel, are they not; they receive the same accommodations and pay less for it? A. I don't understand that.

Q. What I mean is if you say there are three rates on one ship, one rate of twenty, one of twenty-five and one of thirty dollars— A. During the fight do you mean?

Q. Yes, the accommodations are the same thing?  
A. Yes.

Q. So that is a real advantage for some of the men who get the \$20 rate? A. Oh, yes.

Q. To those who have been able to get it, or smart enough to find it out? A. Yes, well it was usually luck, you know.

Q. You don't think there was any design in their travelling when they saw a rate of \$20? A. Well, they bought their tickets that day and the next day another fellow couldn't get it.

Q. Hasn't it been your experience to some extent that various people wait until they see a very low rate and then take it? A. I think they have been educated to do that within the last two or three years. These steamship companies like the Uranium and North West Transport Company that came there would cut just enough under the rates of the ordinary stable lines to get a sufficient number of passengers.

4460

Q. You mean the conference lines? A. Yes. They came in and made it \$5 or \$7 less and scooped up a lot of business and I think the public got in the habit of waiting until the time came around when they got a \$20 rate.

Q. That accounted for the three rates? A. Yes, I believe so.

4461

Q. And to that extent it was of advantage to those persons who got those rates? A. Yes. Yet you must consider in connection with it if they got the same treatment on board the ship as the man that paid the regular rate did. If they got as much for \$25 as the other got for \$31.25 then they were \$6.25 better off. But if they did not, if they went on a steamer that was inferiorly cared for and badly provided for, with attendance not so good, many things inferior, then he was sacrificing in comfort what he was obtaining in price.

4462

*George Hannah*

Q. I was talking about the conference line vessels. I understood if they decreased the rates the man got the same accommodations? A. If it was a conference line steamer and they made that cut they would probably get the same accommodation.

4463

Q. I want to clear up a matter here in my mind. You mentioned that the rates for the last ten years had been increased only \$1.25. I want to show you a letter here from Mr. Peters to—one of Peters circular letters, No. 27, Exhibit 936, in which it states the secretary had wired as follows: (reading). Does that refresh your memory as to whether there has been any change in the rates—it is dated March 20th, 1908—does that refresh your memory as to whether there has been any greater change in rates than \$1.25? A. I should explain when I spoke about this \$1.25 I was referring to the British rates.

Q. I misunderstood you. I thought it was a general advance? A. This letter you have reference to refers only to Continental rates. It does not refer to the whole of it and there have been very great fluctuations in Canadian rates. While you read there was an advance on that date of \$4, if you will take all of the Continental line circular letters you will find there was a reduction of \$5 perhaps two weeks later.

4464

Q. And I want to add here that the letter goes on to say: "To which I beg to add that the Allan Line has excepted their Havre direct service?" A. That we would not comply with it?

Q. Yes? A. Yes, sir.

Q. So those rates were the Continental rates between New York and the Continent, were they not? A. Exactly.

Q. And referring to those then you would not say that there has not been an advance of more than \$1.25 in the last ten years? A. No. I might equally say they have fluctuated more, have gone up and down to

suit the conditions. The same fluctuations have not occurred in the British rates. It has only been to the Continental rates, and our rates have fluctuated too with the Continental rates to meet the conditions prevailing with the Continental line.

Q. And sometimes where if a line was in the plus in the pool, as it has been called, it would increase its rate so as to decrease the number of passengers, would it not, to get a proper share? A. That has been the tendency, yes.

Q. And if it has been minus it naturally decreased its rate so as to get a greater number of passengers? A. Yes.

4466

By Mr. Spooner:

Q. Did you point out yesterday all of the reasons which led to the adoption of the agency agreement, that is, all of the evils that were sought to be remedied?

A. I think I did, Senator. I think I referred to the existence of semi-authorized agencies in large cities like New York and Minneapolis and Chicago for the sale of steamship tickets and the use of runners.

Q. You did about the runners and you did about the commissions that were paid to runners and boarding house keepers; how about agents? A. They were called general agents at that time that had orders out-drawn on themselves, not steamship ticket order, but orders drawn on these general agents which were sold all over the country and the passengers sent in to New York here and these general agents would have control of the people.

4467

Q. Not on any particular line? A. Not on any particular line. Drawn on a certain steamship company in New York, and they would bunch these people up together and sell them to the steamship company from whom they could get the largest amount of commission, or the lowest net rate.



4468

*George Hannah*

Q. And they would pocket the difference between what the passenger had paid and the actual passage?

A. Yes. They controlled a large amount of business, and this was the same on the ocean as on the rail; very much after the style of the cut-rate ticket office.

Q. You mean a scalper? A. Yes, very much the same as a scalper on the railway and there were these establishments in New York and Chicago and Minneapolis handling large quantities of emigrant passengers every year, having their orders out all over the country and having their agents, and for the lack of unanimity among the steamship companies they could not put that thing down and not until we got practical unanimity could we compel every agent to be appointed by the steamship company.

4469

Q. That operated then as a colossal fraud, didn't it, on the different people? A. Yes, for many years.

Mr. Guiler: Objected to as calling for a conclusion and not within the issues.

Q. Is it or is it not your understanding that you put an end to that fraud upon the people in large part when the agency agreement was entered into? A. The steamship companies addressed themselves to that question and practically as soon as they got together in conference, and that was many, many years before the question of this "AA" agreement and other agreements was ever brought into existence—many years.

4470

By Mr. Guiler:

Q. Wasn't one of the principal reasons why these agency agreements were made so that the steamship lines would not have to pay more than a \$2 commission to any agent who brought them business? A. I think the principal reason why those agreements you are speaking of now were brought into existence was because of the failure of the other agreements to continue in effect.

*George Hannah*

4471

Q. The steamship lines to a certain extent were held up, were they not, by the various agents? A. Yes.

Q. And to a larger commission than \$2, were they not? A. Yes, they were.

Q. And it was of advantage, was it not, to the steamship lines to be able to say that we shall only pay you \$2? A. Exactly; and it was also an advantage to us that we would not recognize them at all, these orders they put out and do away with the whole thing.

Q. That was one advantage to the lines, that they had to pay a uniform commission? A. Yes.

Q. \$2 to the ordinary agent and \$3 to the general agent? A. Yes. It was an advantage to the line as well as an advantage to the public. If a man bought a ticket for the Cunard Line he wanted to be sure he went on the Cunard Line.

4472

Mr. Spooner:

Q. The advantage to the public was also an advantage to the lines, was it? A. Yes, it was mutual.

Hearing adjourned until Friday, November 22nd, 1912, at 11:00 o'clock A. M.

4473

4474

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against  
HAMBURG - AMERIKANISCHE-  
PACKETFAHRT - ACTIEN - GE-  
SELLSCHAFT, and Others,  
Defendants.

Before,  
Charles E.  
Pickett, Esq.,  
Examiner.

4475

New York, November 22, 1912.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the Petitioner.

Messrs. Burlingham, Montgomery & Beecher; by Charles C. Burlingham, Esq.; for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque; By Nelson Shipman, Esq.; for Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton; by J. C. Spooner, Esq.; for the Allan Line, *et al.*

4476

Messrs. Lord, Day & Lord; by Allan B. A. Bradley, Esq., and Lucius H. Beers, Esq.; for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East Asiatic Company, *et al.*

Mr. Bullowa: The Russian East Asiatic Steamship Company offers in evidence original of circular letter of Secretary Peters of Jena, G. No. 1,068.

Marked Defendants' Exhibit No. 5.

Also translation of same.

Marked Defendants' Exhibit No. 6.

*Sidney John Lister*

4477

SIDNEY JOHN LISTER, called on behalf of the defendants, testified as follows:

*Direct-examination by Mr. Beers:*

Q. Mr. Lister, where do you reside? A. Liverpool.

Q. Are you in the steamship business? A. Yes, sir.

Q. How long have you been in it? A. Nearly twenty-one years.

Q. In connection with what company? A. With the Cunard Company.

Q. During the entire period? A. During the entire period.

4478

Q. In what capacity have you been connected with the Cunard Company? A. In various capacities. I naturally had to start as a boy and I have been through the whole of the passenger department, and the secretarial department, and at present time I am attached to the general managers department.

Q. Will you give particulars as to your familiarity with the steamship business, the North Atlantic steamship business, as to what part you have in the affairs of the Cunard Company and in relation with other companies? A. At the present time I take part, of course, in the conduct principally of the passenger business which comes directly under my jurisdiction, and, of course, our general manager, and I attend all the conferences, no matter where they are held, whether they are held in Liverpool or on the continent or wherever they may be. I take a fairly prominent part in the deliberations, sometimes having acted in the chair for instance.

4479

Q. And you have come to New York to testify in this case, have you not, Mr. Lister? A. Solely for that purpose.

*Sidney John Lister*

4480

Q. Were you in London in January and February, 1908? A. I was, sir.

Q. When the Agreement AA. was under discussion? A. I was.

Q. Did you take part in the deliberations which led to the making of Agreement AA? A. I did.

Q. Are you familiar with the conditions which led to the making of that agreement? A. Yes, I think I can say I am.

Q. Prior to the making of the Agreement AA. in February, 1908, were there any conferences between the steamship lines, including British Lines? A. Yes,  
4481 there were from time to time conferences.

Q. For about how long had that period of conferences continued? A. Off and on for many years.

Q. About when did it start? A. I can recollect conferences since the time I joined the Cunard Company.

Q. That would be about twenty years? A. About twenty years.

Q. Has that period of say twenty years past been a period of a succession of conferences and agreements between the passenger lines on the North Atlantic? A. Yes, it has, I should say.

Q. What was the purpose of those conferences between the passenger lines prior to the making of  
4482 Agreement AA.? A. The purposes, the main purpose was to see that the business was conducted on proper lines.

Q. What do you mean; explain that a little more fully; what you mean as to proper lines? Do you mean, say, to avoid something? A. It was to avoid as far as possible disturbances in the trade; it was to insure as far as possible stability in the trade.

Q. And also stability in the rates? A. Stability in the rates. The agreement proper—they were all rate agreements; they were really rate agreements attached to which there were rules covering the conduct of the business.

Q. They related you say particularly to rates? A. To rates and regulations for agents.

Q. Regulations of what nature for agents? A. Regulations for the controlling of the agents, such as what passengers he was permitted to take and making sure that he didn't do anything that he ought not to do; a sort of giving him the rules under which the business was to be conducted by the agents.

Q. Against undercutting? A. Against undercutting.

Mr. Guiler: You are leading the witness, to some extent, I think, but I don't object.

4484

Mr. Beers: I want to bring out the facts; I think we all understand it.

Q. Is it a fact that there have been during the last twenty years a series of these conferences? A. Yes, it is a fact.

Q. Were they continuous? A. They were practically continuous.

Q. Have there been breaks in them? A. There have been breaks.

Q. Why were they not continued; can you say why they were not? A. Well, because they—in the first place they were—the notice was a very short notice; the notice to terminate was a very short notice; in some of the agreements I think it gave fourteen days' notice, with a result that any one of the parties that thought he had a grievance, imaginary or otherwise, immediately flew to the notice clause and gave his fourteen days' notice, so that at the end of fourteen days it made chaos in the whole business.

4485

Q. Did that at intervals lead to rate wars? A. That at intervals led to rate wars.

Q. What do you mean by chaos in the business; do you mean rate wars? A. Rate wars; constant break-

ing of all the regulations that may have been for the conduct of the business.

Q. Do you know what the reasons were which led the lines to make the Agreement AA.; if so, will you state what they were? A. Yes, I think that the main reason for making the Agreement A. A. was to prevent, if possible, these frequent breakings away from the agreements which had been the practice under the previous rate agreements, and I think so far as the British Lines were concerned, they recognized that the continental pool which existed between our friends, the Continental Lines, had been built up on many years of experience, and they felt that what had apparently been good for the general conduct of the trade on the Continent could also be very well applied to the conduct of the business in Great Britain and Scandinavia; therefore, the meetings took place and the lines got together with the result that a general pool as under Agreement AA. was formed.

4487

Q. Was AA. made to affect the same—to act for the same general purpose in the business but with a stronger obligation as to the lines—I mean as compared with the conferences? A. Yes, to insure more stability in the business.

4488

Q. Was it also intended to insure more stability in rates? A. I cannot say. It was not so far as rate wars were concerned, except a pool was made for a certain period; it was for a longer period than the previous rate agreements had been made for, but it was not necessary to insure higher rates because the rates had been in operation since the pool was formed. The AA. Agreement was, I should say, practically very little different from what it was prior to the A. A. Agreement.

Q. Can you state what the effect of rate wars has actually been on the business of the lines? A. The most disastrous effect, not only on the business of the

lines, but on everybody concerned; disastrous to the lines in that a very low rate was in operation, disastrous to the passenger in that he did not get all of the comforts that it might have been possible to have given him under different conditions, and disastrous also to the United States, because it encouraged a lot of agents whom the lines, in other times except rate wars, had weeded out of the business drifting in again to the business and endeavoring to book a lot of totally undesirable emigrants.

Q. How low have third-class rates fallen at times of rate wars, that is, in your recollection? A. I have known them to be down to two pounds, and I think I am quite right in saying that one of the lines, but I cannot think at the moment which it was, went down so far as thirty shillings for one steamer. I know they went to two pounds, but I think they went to thirty shillings for one or two steamers.

4490

Q. A rate of two pounds—that means that the steamship company was doing business at a loss, does it not? A. Yes, certainly.

Mr. Guiler: I ask to have the question and answer stricken out as calling for a conclusion.

Q. If a steamship company in the North Atlantic carries a passenger from Europe to the United States at thirty shillings or two pounds, it is doing business at a loss, is it not? A. Yes, doing business at a loss.

4491

Mr. Guiler: Same objection.

Q. Please state whether in your experience the business of passenger carrying steamship companies is particularly exposed to temporary competition from the outside? A. It is particularly exposed.



Q. Why? A. Well, the ocean is a very large field. It is perfectly free; it is different to the line on land, where railroads operate. Before a new railroad can operate that railroad—I don't know whether it is so in the United States, but I dare say it applies as it does in England, that the railroad has got to go to the powers that be and obtain a bill, get a bill passed enabling it to construct this railroad and enabling it to buy its site, and then it is exposed to opposition on the part of every interest that one can possibly conceive of. But in the steamship trade on the ocean you only want one boat with a tight bottom to cross the Atlantic with, and the Atlantic is yours.

4493

Q. Steamers can be taken from any part of the world which can be made temporarily available for the business? A. Quite so.

Q. Within the period while you have been in the steamship business, say the last twenty years, during which, as you said, there have been a series of conferences, do you recall any passenger lines which have been forced out of business in the North Atlantic? A. I cannot recall a single line that has been forced out of the Atlantic business since 1892.

4494

Q. Do you know of any that has been forced out before that time? A. Well, I believe there were lines which for one reason or another, went out prior to that time. I think, for instance, the Inman Line disappeared; I think the Guion Line disappeared.

Q. But that was more than twenty years ago? A. And the State Line, I think.

Q. But that was not during this period of conferences to which you testified? A. Not in the period to which I am testifying now.

Q. Are you familiar with the practical workings under Agreement AA. during the last four years and longer? A. Yes.

*Sidney John Lister*

4495

Q. Did that come under your personal observation?  
A. That came under my personal observation, yes.

Q. Has it been any considerable part of your duty to observe the working of that Agreement? A. It is practically my main duty.

Q. Have the provisions of Agreement AA. practically operated to prevent competition in third-class business between the lines which were parties to that agreement? A. No, they have not operated for that at all; they have not prevented competition in the least. The lines are just as eager now to get passengers as they were before.

4496

Mr. Guiler: Objected to as calling for a conclusion and I ask to have the question and answer stricken out.

Q. Third-class passengers? A. Absolutely. It only applies to third-class passengers.

Q. I understand that. That is, they try to get all they can? A. Naturally; I am quite sure, I think, speaking for the Cunard Line, we let nothing go if we can once get our hands on it.

Mr. Spooner: You don't let go after you get your hands on it?

The Witness: We do not, you may be sure.

Q. During the period which has elapsed since the making of Agreement AA. have third-class rates in the North Atlantic changed? A. Very little.

4497

Q. Have there been any fluctuations? A. There have been slight fluctuations, but very little material change.

Q. It has been substantially a stable rate? A. Substantially a stable rate. We tried, as I said before, and I repeat it again, to get stability into it. One thing that occurred here I might say, that is, here in America, there was a pool controlling the passengers after they left Ellis Island, which I believe was drawn

*Sidney John Lister*

4498

up with the idea of preventing any chaotic condition in the control of the immigrants going to the west, and all that we sought to do under the Agreement AA. was to try and apply what must have been good in railroad organization here to the steamship organization.

Mr. Guiler: Objected to as not responsive nor within the issues, and I ask to have the question and answer stricken out.

4499

Q. Agreement AA. provides that each of the passenger lines shall have a certain percental participation, as it is called, in the business? A. Yes, it has.

Q. Have those percentages been actually subject to change as affected by the experience of the lines as they proceeded under it? A. You can rest assured they have. The Cunard Line is willing to change them a bit more.

Q. They have been changed? A. We have demanded more than when we started, because we showed that we were able to get it. We simply went out to get the business just as we did before Agreement A. A. was formed.

4500

Q. And as the result of that was the percentage of the Cunard Company changed? A. Yes; our percentage was increased. I am not quite sure of the extra figure—I haven't the figures in front of me at the moment, but our percentage has been increased.

Q. Was that change made because you had actually carried—

Mr. Guiler: I think you should not lead him so much.

Q. Why was the change made in the Cunard rate? A. Because we had shown that the percentage which was allowed to us at the outset was not sufficient. We

proved that we were able to command a larger, and carry a larger, number of passengers, and obtained a larger number of passengers than the percentage provided.

Q. How did you prove that? A. By our activity in the trade.

Q. By getting it? A. By getting the business.

Q. Not by argument? A. Not by argument at all. We could never convince our friends simply on argument; we have to show them hard facts at the same time.

Q. How did you get more passengers, or a greater percentage of the business than you had before; by what means? A. I can't say, except from our activity. We never slackened off the least bit; the work went on just as it had gone before.

4502

Q. As though there had been no AA. Agreement?  
A. As though there had been no AA. Agreement at all.

Q. Has there in fact been a competition between the lines, parties to the AA. Agreement, in respect to the number and size of steamers since February, 1908? A. Yes, it has been active rivalry. In fact, we have added new steamers since 1908. There is rivalry now. Everybody is adding to its fleet just the same way it did before.

4503

Mr. Guiler: Objected to as not calling for facts but conclusions.

Q. How many steamers has the Cunard Company built or ordered since February—since February, 1908? A. We have actually ordered built, already built or ordered, five large new steamers for the Atlantic trade.

Q. Are any of them ordered or built larger than any of the Cunard fleet now? A. Well, I believe we

4504

*Sidney John Lister*

have got one building, but whether larger I would rather not say at the moment.

Mr. Guiler: That would be a "superlative," wouldn't it?

Q. Are these vessels ordered to which you just referred vessels of the highest class? A. Of the highest class. I believe I can say all of our ships are of the highest class.

4505

Q. Can you state what effect the making of the AA. Agreement had in making possible the ordering of those ships? A. Yes, I think I can say that with the A. A. Agreement behind them the steamship companies felt that they could embark out and build new ships. It is perfectly obvious that if there was no stability in the business we could not embark out and put a lot of capital in new ships. You might enter an agreement which was subject to fourteen days, or even a month's notice, and at any time you might order a ship costing a very large sum of money and directly you have ordered that ship they get a rate war and the natural disorganization that follows a rate war would—we launch the new ship at a time when it was bound to be a most unprofitable undertaking. With the AA. Agreement the lines feel they have something behind them which enables them to build these new ships, to obtain all the improvements that time shows and to provide better transport for the passengers.

4506

Q. When you said that the existence of Agreement A. A. enables the line to contract for these large ships, are you referring to hope of the line of getting more money or to the element of stability? A. The stability.

Q. You have testified as to what the Cunard Company has done in building and ordering ships since February, 1908; have the other principal lines, parties

to Agreement AA. also to your knowledge increased their fleets, or ordered new vessels during the same period? A. Yes, I believe that everyone of the steamship companies has added new boats to its fleet since 1908; either added or is adding. I think the only one that has not added is the American Line.

Q. Has there been, to your knowledge, since the making of the Agreement AA. active competition between the lines which were parties to that agreement in respect to the quality of the service which they rendered?

Mr. Guiler: Objected to as calling for a conclusion. 4508

A. Yes, there has been active competition.

Q. Will you state the particulars? A. It runs into details—

Q. Referring now particularly to the service which they have in their third-class passengers? A. Yes, there were many improvements brought about. For instance, we tried to outdo each other in what we could do, what accommodations we provided for the passengers. Nearly every passenger crossing the Atlantic now is accommodated in a small room with electric lights in their cabins. We might go out and put wash basins in their rooms; another company might not do it. We might give them clean table cloths for breakfast, supper and dinner and would give them perhaps cups and saucers where they might have only had mugs. I don't want to worry you with all these minor things, but they are all the little things which occur to us in building the ship. In fact, we all watch what another steamship company does; merely watch and wait and see what there is on that ship and see if we really cannot go her better.

4509

Q. You are now speaking of third-class, are you?  
A. I am speaking of third-class.

Q. Has the Cunard Line in fact, within the last four and a half years, made improvements in the service and accommodations given to the third-class passengers, and if so, won't you state them in detail; we would like to know that? A. I think I have pretty well covered the ground in my last answer. We have practically provided small rooms for all the passengers—

Q. All the third-class passengers? A. All the third-class passengers. We give them smoking rooms; we gave them smoking rooms before 1908, but we probably improved on them in some way. The bedding possibly has been improved. In our dining saloons now they have got revolving chairs. They got those prior to 1908, but still they have been getting those since, with other improvements that we have been able with experience to put into the ships.

Q. What arrangements are made now by the Cunard Company as to the food of the third-class passengers? A. You mean that we provide the food for the third-class passengers; and we give them the best that can be given to them. They get breakfast, dinner and tea—

Q. I want to make my question a little more definite. What is their food—from the same stores as the food of the first and second cabin? A. There is only one store on the ship in which all the eatables are stored, and the food comes from the same stores. I don't want you to think that we give them grouse and oysters and things of that kind, but what they do get is cooked from the same stuff that is cooked and dished up for the saloon passengers.

Q. And the same quality of food? A. And the same quality of food.

Q. Is it served by the company's stewards? A. Served by the company's stewards.

Q. They don't wait on themselves? A. Oh, no, no one waits on themselves. They are all waited on, everyone of them, by the stewards.

Q. What are the arrangements now in the third cabin as to toilets and baths? A. We give them toilets and baths, and I think we have even gone to the extent of giving them shower baths. If they do any good I won't say. Closed toilets, whereas, in the olden days, I believe they were just one long stall; now I think they have a certain degree of privacy, just the same as the saloon passenger has.

Q. What effect has the existence of Agreement A. A. had on the making of the improvements in the third-class service to which you have referred? A. The existence of the A.A. Agreement as I have mentioned before, has enabled us to provide those improvements. I seem to be repeating, but it is the old answer, the assurance that we had that we could provide them that prompted us to do so.

4514

Q. Have you found in your experience in the business of the Cunard Company that the third-class passengers have shown any marked preference for any particular type of the company's ships? A. Yes, I think they go for the best. The third-class passenger now is not the third-class passenger that he was twenty years ago. Now he is just as keen as the saloon passenger in getting the very best that can be provided for him, and so far as that is concerned certain passengers will pay for the best and willingly. I think I am right in saying that our two fast boats, the Lusitania and Mauretania, are our most popular third-class ships, despite the fact that we charge a little more for them in return for the extra speed we give them than the other ships in our fleet. I might add the same thing applies to the Atlantic as applied to the linking up lines bringing our passengers, for instance, from Scandinavia to England.

4515



*Sidney John Lister*

4516

Q. To what do you refer? A. There the passengers demanded more than was being given them; the ships have been improved.

Q. Are you now speaking of lines running between Scandinavia and England and to eastern England? A. Hull and Grimsby.

Q. Has any increased demand on the part of the third-class passengers been brought to your attention by those lines running to Scandinavia? A. Yes; what I had in mind was that the Messrs. Wilson who own the North Sea steamships, came to us and told us that the passengers were demanding so much more, 4517 that they wanted more privacy, they wanted more comforts, they wanted better food, and they said we are quite willing to provide it, but the expense of providing it is heavier now than what it was before and we cannot give them what they are wanting for what you are paying us.

Q. That is, what the Cunard Company was allowing the Wilson Line for that part of the voyage? A. For that part of the voyage.

Q. Are you familiar with the history of the development of passenger ships in the North Atlantic? A. Yes, I think I am.

Q. Has there ever been a time when a third-class 4518 passenger received more for his money than he does now? A. There never was a time. I can answer that perfectly and with ease. There never was a time when he got what he is getting now and it seems to me he is getting more all the while.

Q. Were you familiar with third-class rates prevailing in the North Atlantic passenger business before Agreement AA. was made? A. Yes, sir.

Q. Have you been familiar with those rates since? A. Yes, quite.

Q. I ask you how those rates compared in their amounts before and after the AA. Agreement; I

am not now speaking of the period of rate war before AA. Agreement, but average condition before the agreement, and average conditions after the making of Agreement AA.; say, comparing the period within eighteen or twenty years before Agreement A-A. and the period which has elapsed since the making of Agreement AA., how do those rates compare?

A. There has been not more than very little variation. Even in stable times the rates have been pretty much the same. I know of some ships crossing the Atlantic now which are charging higher rates than they were ten or twenty years ago; for instance, the *Lusitania* and *Mauretania* are able to command a higher rate than was in operation at that time, but taking it on the whole, I think I can fairly say that in average times, both before and after, there was very little variation.

4520

Q. Take a ship like the *Campania*, the prevailing rates on that ship since February, 1908, how would they compare with the rates on the same ship, say, ten or fifteen years before February, 1908? A. I haven't got the actual figures in my mind—

Q. In a general way? A. In a general way, I think there is very little change.

Q. Have the expenses of maintaining steamship service increased during the last twenty-five years?

4521

A. Very considerably; very considerably.

Q. Can you give any of the particulars in respect, for example, to coal? A. There again, I think—not the actual figures—but I can speak from actual experience and I know that about 1897, for instance, I think it would be, when I was in the secretarial department of the company, which at that time bought the coal, we probably were paying—

Q. You said you "probably were paying"; can you say you were? A. I can truthfully say we were paying about eleven or twelve shillings a ton for coal,

*Sidney John Lister*

4522

for South Wales coal, and where it is costing us at the present time at least eighteen shillings a ton, maybe a little more.

4523

Q. Has there been any change, to your knowledge, in the general prices of the provisions which the Cunard Company has had to buy? A. Nearly every item has gone up in the last few years. The steamship company has just experienced what people are experiencing on shore that the price of nearly every commodity has gone up. I might particularly mention we are paying a lot more for meat now than we were. I dare say there are many items I cannot give in detail now, but the prices of nearly everything have gone up.

4524

Q. Has there been any general increase in wages which the Cunard Company has had to pay within recent years? A. Yes, there has. We have been subject in England to a great deal of labor troubles or difficulties. Even prior to our labor difficulties it was recognized by the steamship companies that we were calling upon the people on board the ships to do more than they had been doing before. For instance, the stewards probable have to do more, and more was expected by the passenger, more was expected by the passenger of the steward who waited on him, and it was a little harder work, and the steamship companies take that into consideration and gave certain crews on their ships advanced rates of wage. Then again our labor trouble in the last two or three years has caused an enormous increase in our expenses. Nearly every man on the ship at that time came out and the steamship companies had to concede to a certain extent and to a great extent the demands that were made.

Q. Does the Cunard Company at the present time pay considerably more for wages than it did for the same kind of services say ten years ago? A. Yes, the Cunard Company is paying considerably more to-

day for the same kind of service than it paid two years ago, three years ago.

Q. And have wages been going up for a period of years past; has there been a progressive increase?

A. It has been a progressive increase for some few years.

Q. Does that progressive increase also apply to the cost of provisions and coal, to which you have referred? A. Yes.

Q. Has there been, to your knowledge, an increase—

Mr. Guiler: Unless our stipulation extends to the leading questions I think I must object once in a while to what you are asking here. 4526

Q. Will you state, Mr. Lister, how the cost of steamers building now compares with what the cost of similar steamers are or would have been prior to the making of Agreement AA.? A. The cost of shipbuilding in Great Britain has gone up to a very remarkable degree. A ship, for instance, that could have been built possibly two years ago for, say, 200,000 pounds, the steamship company would probably have to pay today at least 250,000 pounds, possibly more, for an exactly similar ship.

Q. Do you know of your own knowledge of any such instance? A. I do. I know of my own knowledge that ships which we have ordered and which have been delivered and which within a short period we have practically gone out to the builders for a duplicate, we have been asked by the builder anything from 50,000 pounds to 60,000 pounds more for a similar ship. 4527

Q. For a sister ship? A. A similar ship.

Q. Have there been any changes in the provision for safety of passengers during the last twenty-five years? A. Yes, there have been many. For instance, the old single screw ship, to which a great deal of

*Sidney John Lister*

4528

an element of danger attached, has practically entirely disappeared. The steamship companies have been able to avail themselves of all the improvements that science has brought out.

Q. When you now refer to twin screw steamers, that involved the installing—twin screws involve two engines? A. Two engines against one.

Q. And it takes more space? A. It takes up more space.

Q. More dead freight? A. More dead freight.

4529

Q. What are the elements of additional safety in the twin screw boat over a single screw boat? A. If you went to sea in a single screw boat and the screw went or the shaft went, there you are. You can then realize what the result would be, but in a case of a twin screw boat, we only ourselves had a twin screw boat last year crossing the Atlantic, and one of the shafts developed a flaw, and that ship was enabled with her other engine to arrive safely at her destination and go back to England again.

Q. Within what periods have bilge keels been introduced? A. Bilge keels have been introduced, sir, I think possibly in 1895. If I am a year or two out you won't find any fault?

4530

Q. No. Will you explain what bilge keels are and their purpose? A. A bilge keel is what is termed by some people a rolling chock; it is an abutment from the side of the ship underneath the water; it proceeds a certain length along the ship's side to prevent her rolling, to make her more comfortable. On the side of the ship you have a bilge keel going probably two-thirds of the length of the ship to—

Q. A projecting flange? A. A projecting flange.

Q. On each side of the hull of the ship, about as the sides curve to the bottom? A. Almost at the bottom of the ship.

Q. To produce stability? A. To produce stability.

Q. I call your attention to submarine signals; during what period have those been introduced? A. Only the last few years. That is a good thing for safety, especially in thick weather. The ships have a bell and though I cannot tell you exactly the technical effect, but on all the ships there is also a bell and the sound—the ship's people have these receivers that are fitted on the ships that are enabled to pick up the sound of the bell, and if the sound of the bell came on their starboard side they would know what lightships—these submarines's signals help them in foggy weather to pick up things they cannot see.

4532

Q. It eliminates the variation that is caused in foggy conditions by the various fog banks in the atmosphere?  
A. Yes.

Q. Causing sounds to reverberate back and forth so that you cannot tell from which direction the sound comes? A. This sound comes under the water, you see.

Q. About when were these submarine signals introduced; has it been within the last twenty years?  
A. The last two or three years.

Q. Within what time has the wireless apparatus been introduced? A. The wireless apparatus, it was first put on our ships in, I think, 1900, or 1901.

4533

Q. Has the use of electric lights in the steamers of the Cunard Company been increased during the last twenty years? A. Well, yes, it has been increased, because during the last twenty years we had some ships then that had no electric light at all; they had oil lamps.

Q. Have those oil lamps been eliminated within the last twenty years? A. They have been eliminated.

Q. And replaced by electricity? A. Yes. That is, for the general lighting of the ship.

Q. Has there been any difference in the expense of conducting the service of the Cunard Company dur-

ing the last twenty-five years caused by the United States Immigration Act, and if so, will you give particulars? A. There has been a great deal of expense attached to the steamship companies and to the Cunard Company through the United States Acts. The United States expects us to live up to a very much higher standard—I don't say we did not always live up to a high standard—but expect us to live up to a very high standard now.

Q. And that is especially on account of the Immigration Act? A. Yes; and we have to see that all our agents live up to a higher standard; we have got to see that the whole of our business is conducted in the same fashion. The bills for printing, notifying the agents, keeping agents in touch, closely in touch, with all the changes that may take place in various regulations have entailed a great deal of extra expense to the companies.

Q. What precautions have the Cunard Company actually taken in the selection of the agents who sell its third-class westbound tickets? A. Well, we have, of course, got rid as far as we possibly could of all undesirable agents; we will have none but the very best we can get hold of. Along with the other companies two or three years we issued a system to insure us that we were getting the class of men who was good, stable and likely to live up to what we expected of them. All of this costs money. We keep travellers who are continually going around to educate the agents up to what is required of them, to explain any point that they must be particular about before accepting money from a passenger or attempting to book a passenger. We are continually watching the agents, both by circulars and by personally visiting them to see that we have the best people and to see that they are doing just what they really ought to do.

Q. What precautions does the Cunard Company take to avoid having tickets sold to emigrants to the United States who will not be acceptable under the Immigration Act here? A. I think I would be quite content to let the Ellis Island records show what the Cunard Company has done, but I can give a slight incident to show how anxious we are to keep what we believe is a good reputation at Ellis Island. We absolutely have turned down all continental agents in Liverpool. For instance, we won't let any foreign agent in Liverpool book any passenger such as an Armenian or Turk or any of those that we know there is any suspicion about. Any one we know might be deported from Ellis Island. That is just a small incident. All the while we are endeavoring to book only the best people and those that we know will be accepted. But that is just a particular incident that I can recall at the moment.

4538

Q. What precautions have been actually taken by the Cunard Company in respect to the physical examination of the emigrants to the United States seeking to embark—to show that they complied with the United States Immigration Laws? A. I quite follow what you are asking about. I think it is since 1908—I am sure it is—that we have absolutely taken in and formed—taken into our employ a medical superintendent, and made him solely a member of the staff. He gives his whole time to the company's work at a very heavy cost to the company. We had the passengers examined before but it is only within the last year or two that we paid what we are paying for examinations. This medical superintendent of ours has for years been engaged in the examination of passengers and he quite realizes what is likely to be accepted by the United States officials, and he weeds out and stops those from coming whom he thinks would not be admitted. It has been a great help to us

4539



because every passenger that has been rejected from the United States is examined by this medical superintendent on their return and he sees exactly what the United States officials have rejected that man for, and it is a guide and aid to him in future; if he came across a passenger who had been rejected for a certain thing he would stop such passengers in future from going to America at all. We are very proud at the present time of our medical arrangements.

Q. Have they been built up in a day? A. No, they have been built up from many years of experience.

4541

Q. Has there been any increase of expense of service of the Cunard Company in the last twenty-five years, caused by the statutory requirements either of the United States or of England, other than Immigration Laws, in respect to the third-class service?

A. Yes. I cannot quite tell you all in detail now, but one country puts laws into operation and says you must carry passengers from this country under those laws, and another one you must bring them in under these laws, and between the two you often come to the ground, and I think it is only within recent years the carrying capacity of the ships has been very much affected by the laws which have been put in operation by the United States Government.

4542

Q. That is such laws as laws requiring a certain amount of air space for the passengers? A. I don't remember what the particulars are, but they want on certain decks a certain amount of space and on another deck you must have another.

Q. Can you state from your experience what effect a rate war has on the character of the emigrants from Europe to the United States?

Mr. Guiler: Objected to as conjectural, immaterial and irrelevant.

A. Yes. You get during the rate war the dirty people that the steamship companies—I don't say how much or all—but it is what we are liable to get; the very people who in times of regular stable business we are keeping out. A rate war brings up again all these undesirable agents. That is the first thing it does. Then they encourage every one whatever who has got a few shillings to go to America. The natural result is that the steamship companies might be inclined to accept as many passengers as they can to make both ends meet, and the likelihood of the United States being afflicted with a very, very large number, an enormous number, of undesirable passengers.

4544

Q. How long has the Cunard Company been in business, Mr. Lister? A. Since 1840.

Q. Continuously? A. Continuously, sir.

Q. What lines does it now maintain? A. It maintains lines—its North Atlantic Lines between New York and Liverpool, and between Boston and Liverpool—and between London and Canada. Then we operate a line of ships from the Mediterranean to New York, and we also operate a line of cargo ships between Liverpool and the Mediterranean and between Liverpool and France.

Q. What percentage of the tonnage of the Cunard Company comes to ports of the United States—about what percentage of the total? A. I should say between eighty per cent and ninety per cent.

4545

Q. How many vessels has the Cunard Company now in the service? A. We have at the present moment twenty-five vessels in actual existence, and we have four either under actual construction or for which the order has been given.

Q. Can you state what the dividends of the Cunard Company has paid have averaged for the past thirty years? A. Yes. Our dividend during the past thirty years has been just under three per cent.

Mr. Guiler: I object to this line of testimony as immaterial, incompetent and irrelevant, and not within the issues, and ask to strike it out.

Q. Can you state what the average dividends of the company have been for the past ten years? A. They have been a little less than the average for the whole period.

Q. For the last ten years? A. Yes. I think they have been about two and seventy-five one-hundredths per cent. (After consulting printed statement.) The average dividend for the last ten years has been three and thirty one-hundredths per cent, and for the last—  
4547 the actual dividend of the company since its inception has been—

Q. No, for the last thirty years? A. Two and eighty one-hundredths per cent.

Q. Per annum? A. Yes.

Q. Now, have you stated what the average dividends of the company have been for the past ten years? A. For the past ten years, sir, 3.30 per cent.

Q. And will you state what the average dividends of the company have been since the making of the Agreement "AA" in February, 1908? A. 2.75 per cent.  
4548

Q. What is the paid-up capital of the Cunard Company? A. 1,600,020 pounds; that twenty pounds is a Government share.

Q. Has that capital changed within the last thirty years? A. No, sir; the same capital all the while.

Q. And have the dividends to which you have testified been based on that capital? A. On that actual capital.

Q. At the last annual report of the company what relation did the amount of that capital on which dividends were paid bear value to the company's assets? A. I understand you want to know what the—

Q. I want to know what relation the paid-up stock of 1,600,020 pounds bears to the value of the company's assets? A. Had all the company's assets been realized under the date the last balance sheet was drawn up the stockholders or shareholders would have got a little over par and a half for their money.

Q. That is one hundred and fifty? A. About a little over one hundred and fifty.

Q. Is there any water in the stock? A. No, sir; none whatever, I am very proud to say.

Q. From your experience in the steamship business can you state whether it is possible under present conditions to maintain a passenger line from Europe to the United States which shall comply with the requirements of statute in England and in the United States and with the demands of the public unless the passenger rates are practically stable? A. It is absolutely impossible.

4550

Mr. Guiler: I ask to have the question and answer stricken out as a conclusion and as the witness is not shown to be qualified to answer the question.

Q. Can you state from your experience in the steamship business whether it is possible for any considerable period of time to conduct the business of such a passenger line from Europe to the United States in conformity with the United States Immigration Acts unless the passenger rates are practically stable? A. I wouldn't say that my answer would be so emphatic as to the last question or say that it would be absolutely impossible; but there are very grave difficulties and very grave difficulties indeed in complying with the various acts and statutes.

4551

Mr. Guiler: Same objection. No connection is shown between the stability of rates and the immigration acts.

*Sidney John Lister*

4552

Q. The various immigration acts? A. Yes, immigration acts.

Q. From your experience in the steamship business can you state whether it is possible in the North Atlantic passenger trade to maintain stable rates without agreements between the lines? A. You cannot maintain stable rates without agreements between the lines.

Q. And have the lines ever been able to make stable rates without agreements between themselves? A. Never.

4553

Q. From your experience in the steamship business can you state whether the rates charged third-class passengers since February, 1908, by the lines which are parties to that agreement have been reasonable rates? A. Yes, I can state it from experience.

Mr. Guiler: Objected to as an opinion and a conclusion. I ask to strike out the question and answer.

Q. Will you state whether or not they have been reasonable rates, considering the service rendered? A. The fact that they have been reasonable shows—

Q. Will you state whether they are reasonable? A. They are reasonable.

4554

Mr. Guiler: Same objection.

Q. You have already testified as to the increase in the price of coal; has there been marked increase in the coal consumption within recent years in the steamers of the Cunard Company? A. Yes; all the steamers now are larger consumers of coal than they were a few years ago.

Q. How important an item is that in making up the total expense of carrying third-class passengers? A. It is one of the most important items, the coal question. During the early part of this year, 1912, the coal for our Atlantic steamers cost us twenty-one shillings a ton.

Q. Can you state about how much the Cunard Company is now paying a year for its coal? A. It is over six hundred thousand pounds.

Q. Do the larger ships of the Cunard Company make a very much higher rate of speed than the first ships did twenty years ago? A. Yes, there is no comparison. We have ships crossing the Atlantic now which average twenty-six knots across—over twenty-six knots. Twenty years ago our average speed of all the ships would not be half that figure.

Q. Will you state what the speed of the Cunard Company's fastest ship is at the present time, and what the ships are? A. The largest ships of the Cunard Company at the present time are the Lusitania and Mauretania and their average speed across the Atlantic is between twenty-five and twenty-six knots.

4556

Q. Then taking the steamers that come next to them in speed, what are they? A. Campania.

Q. What is her average rate? A. Her average rate at the present time might be anything from nineteen to twenty knots.

Q. When was the Campania put in commission? A. 1893.

Q. How did the speed of the Campania at that time compare with the speed of other vessels in the North Atlantic trade? A. The Campania at that time with her sister ship the Lucania were the fastest ships crossing the Atlantic.

4557

Q. In the steamship business what is considered to be the available life of a ship like the Campania? A. I think twenty years might be looked upon or has been looked upon, as the extent of the life of a ship. But I could emphasize that by pointing out that a ship is not the same attractive ship at the end of the twenty years as she was when she was first built, because directly any one lays down another ship the other ship that has been built before is not only older at

the same time but is being put back in the race as it were.

Q. Has it been found necessary by the Cunard Company to write off to depreciation the value of its ships within a certain period after they were put in commission? A. Yes.

Q. And within what period are the values written off, about? A. About twenty years.

Q. During the last twenty years, has there been to your knowledge any increase in the stevedoring charges? A. Yes, there certainly has been.

4559 Q. How material an increase? A. A very considerable increase. We not only increased the wages of people actually running a ship, but increased and bettered conditions costing the company considerable sums of money were also given to the dockers.

Q. Has there been any considerable increase in the operating expenses such as pier rates? A. Yes; pier rates are increasing everywhere.

*CROSS-EXAMINATION by Mr. Guiler:*

4560 Q. Mr. Lister, would you agree with the definition of Harold A. Sanderson before the Royal Commission on Shipping Rings in this record, page 1013, that the purpose and object of the conference is as follows: "The object, I should say was to bring about the mutual understanding between those in the trade with a view to maintaining the rates, avoiding unnecessary competition, supplying the trade to the best advantage and avoiding clashing in sailings and otherwise working the trade advantageously for all concerned." Would you say that was a proper definition of the conference? A. I don't say that I agree entirely with that definition, sir.

Q. What part would you disagree with? A. I think that the object of a conference is to bring about

stability in the trade. I don't think that the object is to do away with competition, because I know from experience with the conferences that I am acquainted with that it has not done away with competition.

Q. I state to you that Mr. Ismay said, "I think that is fairly correct." Now, you would disagree with Mr. Ismay on that point also? A. I must not presume to disagree with two such men of experience as Mr. Ismay and Mr. Sanderson.

Q. And you also disagree with Mr. George Hannah?

Mr. Beers: Is it one of the issues in this case as to agreeing with these gentlemen? 4562

Mr. Guiler: I want to find out everything about this.

Q. You would disagree, then, with Mr. Hannah, also?

Mr. Bullowa: It seems to me that is an improper question. Whether the witness agrees or not is a question of the witness's opinion on the subject.

Mr. Guiler: His opinion is contained in whether he disagrees or agrees with this definition.

Mr. Bullowa: That is an improper way to put the question. I think you are asking the witness as to his conclusions as to agreeing or disagreeing. 4563

Mr. Guiler: As far as the conclusion is concerned we have had them all day. I resent your interference with this question. I have been very good natured about this and I want the same of you, especially as this is cross-examination. I would like to go along without any interference if possible, especially as I have



4564

*Sidney John Lister*

the right to cross-examine and ask leading questions, but all I want to do is to get the facts here.

Mr. Bullowa: Mr. Guiler, I didn't object.

Mr. Guiler: I don't know what else you objected for except to break up my cross-examination.

4565

Q. I ask you, Mr. Lister, whether you disagree with all of those gentlemen in regard to the matter of competition? A. Although it may seem presumptuous to say I disagree with them, I maintain that the agreement of which I have knowledge, sir, has not done away with competition.

Q. You mean the agreement of 1908? A. 1908, sir.

Q. Then you differ somewhat with them on that definition which I have given here? A. Yes, sir.

Q. These vessels which you have spoken of—the improvements in all of these vessels which you have spoken of—have not come since 1908, have they? A. Not all the improvements, because I am speaking, sir, to a period prior to 1908, and also since 1908; but there have been improvements since 1908.

4566

Q. Say, take the improvements on a vessel of the type of the *Campania*, which have not been so much, and the *Mauretania* and the *Lusitania*, which, of course, are in a class by themselves, are they not? A. No, sir. They are, so far as speed is concerned, but we have built ships since 1908 which we rightly maintain are an improvement on anything that we had built before. For instance, the *Franconia* and the *Laconia*.

Q. What is the tonnage and speed of the *Franconia* and *Laconia*? A. The *Franconia* and *Laconia* are 18,000 tons, and their speed about seventeen knots.

Q. With those exceptions the other vessels of your line built prior to 1908 you would say had accom-

modations which were reasonably required, were they not, for any steerage passenger; that is, you do not mean to state that the passengers were treated vilely before 1908 and much better after that? A. I don't say they were treated vilely before 1908, but we did not do anything like so much for them a little prior to that time as we are doing for them now. I might instance the Saxonía and Ivernia which were for years our most popular third-class boats, but they are very much out of the class of the Laconia and Fraconia, which are doing the work now the Saxonía did at that time.

Q. The passengers who travelled by the Saxonía and Ivernia had good food and good attendance and everything was— A. They had not the dining room.

Q. But they were supplied with everything that passengers are supplied with now? A. No, sir; they hadn't got revolving chairs in the dining room; they hadn't got two smoking rooms, and only a very small proportion of the accommodations in small rooms.

Q. But take it from—you know how long your experience existed before 1893—or, what was it you said? A. 1892, sir.

Q. Your experience with the shipping lines began at that time? A. At that time, sir.

Q. But hasn't it been your experience that the vessels of various lines even before 1892, or subsequent to 1892, have carried steerage passengers in the small rooms which you have spoken of, that is, approximately three or four passengers in each room; say six or eight or anything like that; they have been supplied with berths and so forth, have they not? A. The majority of the passengers in those ships were carried in open berths; even to the extent that families at that time were separated.

Q. There was such a thing though as six berth rooms for steerage passengers, weren't there? A. There

4568

4569

was a very, very small room; a very small proportion; but the—I give you an instance; in 1893, after the Campania—this has been already mentioned—she carried at that time about 600 third-class passengers, and out of that 600 there was, I think, just over a hundred in the small rooms. The balance of the passengers—of course, she hadn't a very big steerage carrying capacity.

Q. She had only a capacity of 675 anyway? A. Yes, all but a hundred in open berths.

Q. And then a very small proportion of those passengers were in open berths, then, weren't they? A. 4571 The larger proportion were in open berths. That ship had accommodations for 675 and I should say nearly 600 of which would be in open berths.

Q. But you did not mean to state that the open berths were such that it would be deleterious to health or anything of that sort? A. No, sir. If that had been thought we would not have been able to land them; we would not have gotten clearance when we got them here. But the sanitary conditions were in no way comparable between them.

Q. There has been a general improvement all around in sanitary conditions since that time? A. 4572 Improvements in every way.

Q. But so far as the absolutely necessary matters went at that time, so far as the necessary things, food and health and so forth, a passenger could travel in those days without obtaining serious injury any way? A. He could travel without obtaining serious bodily injury, but as to the injury to his stomach, I wouldn't like to answer, because in those days the food was simply brought around in tubs or pans, and the passengers had to bring their own mugs and they practically scrapped to get whatever they could.

Q. You wouldn't state that the Cunard Line, for instance, in those days acted in such a way as would

be injurious to the passengers? A. No, sir; I don't believe any steamship company would knowingly act in any way which would be injurious to the passengers.

Q. That is, so far as that it was necessary for food and health during the voyage? A. They had at that time what might possibly have been considered—

Q. I don't mean what was considered; I mean what was absolutely necessary? A. I don't say they hadn't; I don't want to say the ships were unsanitary, but I don't say they had perhaps all that was necessary.

Q. They had the number of toilets that were required, had they not? A. But they hadn't any baths; they might have had a number of toilets.

Q. Mr. Lister, have you travelled over in the steerage at any time? A. No, I can't plead guilty to that.

Q. Have you inspected the steerage? A. I have.

Q. On a trip over to the United States? A. Yes, sir.

Q. I mean during this time, during the '90s? A. No, sir; I didn't cross in the '90s.

Q. So that your experience in regard to the things that you have spoken of during the '90s is not from your actual knowledge of conditions? A. Not from actual experience of conditions on board.

Q. Not from actual observation on board? A. Not from actual observation on board.

Q. You have received reports from others? A. Yes.

Q. Your line at some time or other was without the conference, was it not; was outside of the conference agreement? A. Yes, we have not been in the conference at all times.

Q. When was your line out of the conference, during what periods? A. I think that the last period we were out of the conference was in 1904.

4574

4575

*Sidney John Lister*

4576

Q. And how long did that last? A. It lasted about, I guess, eighteen months. It might be a little more or a little less.

Q. And it was before you had the 1908 conference agreement? A. We had conference agreements at that time that I am speaking of.

Q. And also rate agreements? A. No, a conference agreement which included a rate agreement. We had no pool at that time, sir; we had rate agreements.

Q. The general pool you had came in 1908? A. 1908, yes.

4577

Q. Did the passengers which the Cunard Line carried during 1904 and 1905, we will say, receive the same accommodations that they received thereafter until 1908; did they receive the same accommodations as they had theretofore been receiving—I will put it that way? A. To a certain extent the same; probably carried more on the ships. We took away probably all the closed accommodations that there was on the ships and put as many as we possibly could in.

Q. And during that time did the rate fluctuate materially? A. Rates were down to two pounds, sir.

4578

Q. So that during that time the passengers for two pounds, the general steerage passengers, received a benefit, did they not, from the low rates that were in effect; they were, for instance, if the rates were \$32, they were \$22 better off, were they? A. In their pockets?

Q. Yes, in their pockets? A. Yes.

Q. Would you state that the rate of \$10 was in vogue during that whole period, practically? A. No, sir; not during the whole period, it varied. I think two pounds, and I said this morning on one or two ships I think thirty shillings was the lowest limit to which it came down.

Q. That is, the rates were then during part of that period \$7.50? A. I think on only one ship of one

line. I think they had one particular ship, but generally the lowest rate it was down to was two pounds.

Q. So that the passengers on that ship profited in their pockets a great deal by that low rate and yet had the same accommodation? A. They might. The passenger who took that ship probably hadn't any more than \$7.50 when he started compared with the man who had \$30 when he started.

Q. He didn't have it? A. He didn't have to pay it if he didn't have it in his pocket.

Q. Do you know he didn't have it in his pocket?

A. I am almost certain your own records will show how much he had when he landed.

4580

Q. Did you examine the records at that time to find out? A. Yes, sir.

Q. To find out how much money a man had in his pocket? A. He would say how much he had in his pocket.

Q. Are you speaking from actual records when you say that? A. He must have had more than \$10 or \$7.50 in his pocket; he may have had just enough to make him admissible.

Q. What did he have in his pocket? A. I can't tell you what he had in his pocket, but he must have had a certain amount at that time to permit him to land, and I think that the laws said at that time that he must have \$10.

4581

Q. Then he is just so much better off having to pay only \$7.50 rates than he would be if he had to pay \$32? A. If he hadn't the money he couldn't pay the rate of \$32.

Q. You are not certain he didn't have the money to pay the \$32 rate? A. I don't deny some of them may have had the \$32 to pay a rate of \$32.

Q. You have not inquired into that? A. No, but a very great number probably did not have the money.

Q. But from your own knowledge you don't know

4582

*Sidney John Lister*

whether that is so or not? A. I can't say that I went through every passenger, sir, to find out exactly what he had.

Recess taken until 2:00 o'clock P. M.

Afternoon session.

SIDNEY JOHN LISTER, recalled.

4583

*Cross-examination by Mr. Guiler:*

Q. I was at the adjournment speaking to you in regard to the advantages or disadvantages of that lower rate during the rate war? A. Yes.

Q. Now is it not a fact that if a person who traveled at \$7—at the \$7 rate—hasn't any more than \$7 he therefore gets transportation which he would not otherwise get or be able to get from England to the United States or the continent to the United States? A. Yes, that is obvious.

4584

Q. Then he is so much better off after having that transportation, is he not, whereas he could not get it otherwise? A. I there again say, Mr. Guiler, that it depends on how much money the man has got. He is so much better off, but it is just a question as to whether the country to which he is going to is better off by his going.

Q. And the emigrants that get that rate are so much better off by getting transportation to this country, are they not? A. I don't agree, I say the Government is no better off with the man that pays the \$7 for his transport to this country with a very few dollars left in his pocket than a man who is about to pay \$32 and has a corresponding increase in the amount in his pocket.

Q. You would not say he was any better off? A. No, I wouldn't say so but he gets transportation which he would not have got otherwise.

Q. It is made possible for him to cross which it would not be otherwise and to that extent he is benefited, is not that so? A. I can't quite see that he is benefited, because the man has got \$7 to pay for a thing that costs \$7 it does not benefit any more than it benefits the man who has got \$30 to pay for something that costs \$30.

Q. He is benefited by the transportation which he has gotten? A. If he is benefited, he is about the only one that is.

4586

Q. I am taking him as a standard of all those men who travel at that rate? A. I don't think rate war passengers are standard.

Q. I am not taking him as a standard altogether, but if you will listen to what I say you will see it is correct. Taking this as a standard, all those men who travel at a \$7 rate, I think you said obviously he is better off by that much transportation which he has received, which he could not have received otherwise? A. No, nor any man who is benefited by the higher rate at any time for transportation unless he took it.

Q. The man who has \$7 at any rate, travels from say, Russia or Germany to the United States, whereas he would have to stay at home otherwise? A. I don't think for a moment you would get \$7 out of that man.

4587

Q. I am talking about the lowest rate? A. We might assume the lowest rate was \$7. If you are assuming this \$7 I agree, but I don't say \$7 was the rate that was in operation during the whole of the rate war.

Q. I think you said it was \$7.00 or \$7.50? A. That was one ship.



*Sidney John Lister*

4588

I was simply taking that as an instance, of course; with that exception it was on one ship— A. Quite right.

Q. So you admit that he gets from his home to this country whereas he would have to stay at home otherwise? A. I don't admit he is better off.

Q. But you will admit that much, that he does get over to this country for \$7 or \$10, whereas he would have to stay at home? A. I say this, that if we were to conduct our business on a \$7 rate the United States authorities would be giving—

Q. One minute—

4589

Mr. Beers: Let him finish.

A. (Continuing.) Would be getting only passengers that the United States wants to keep out, because what is the result of a rate war? To encourage—

4590

Q. I think we have gone into that before? A. It emphasizes the point I am going to make. You encourage the impecunious, the undesirable, whom you don't want to come into a country where every one desires to bring in eligible people, and the man that is paying \$7 to come into a country is getting this benefit; he is crossing the ocean for \$7, but he is not a penny better off than a man who has got the money and is prepared to pay a normal rate of \$30. If I might enlarge on it a little, it all bears on what you have just been asking me to admit. The man that comes over at \$7 in a rate war time is a creation of agents whom the steamship companies at other times hear nothing of and the bulk of people that take advantage of the \$7 rate are drawn from very, very narrow limits. The bulk of them are East End London passengers.

Q. Yes, but yet, assuming that those passengers are admissible to this country, they are so much better

*Sidney John Lister*

4591

off by coming here, are they not? A. I don't know, they might be better off if they stayed at home.

Q. Take the case which we had the other day, where there were three rates on one vessel? A. Yes.

Q. That is the same accommodation; you have had that ship case, haven't you? A. What ship was that?

Q. I don't know; it was testified to here by Mr. Hannah that there were three rates on one vessel during the rate war; supposing one was, we will say \$20 and another \$25 and another \$30? A. If it happened Mr. Hannah must have known of an instance, but I cannot recall an instance where the rate—or very few instances—where the one rate that was advertised for the particular ship was not adhered to. In the meantime a reduction in the rate might have taken place or an advance, and we could not have asked after we issued a British steamer ticket to a passenger to pay the extra \$5 put on the rate any more than the other man booked could justly ask the \$5 back if we had reduced it.

Q. Supposing that was the case, you have heard of such cases have you not? A. There may have been cases.

Q. You would not say there were not? A. Certainly not.

Q. Supposing that there was such a case—the man who paid the \$20 rate would receive the same accommodations as the man who paid the \$30 would he not? A. Just the same, provided—

Q. Provided they were all steerage passengers? A. Yes, under abnormal conditions.

Q. We are assuming they were abnormal conditions during the rate war? A. Quite so.

Q. And to that extent those men who paid those lower rates would be better off, would they not? A. Just in the same way as if you went into one shop and bought a thing for \$10 and I bought the same

1531

*Sidney John Lister*

4594

thing at another shop for \$5 and I would have \$5 the better of you?

Q. And the same thing? A. I don't know.

Q. You just said it was the same thing? A. We might both believe it was the same thing.

Q. You said it was the same? A. I might as well admit it does not help me to deny it; it does not help me to admit it. It is immaterial to me. I was saying that in abnormal conditions such as the rate war time you will have the knowledge of one man paying perhaps two or three dollars more than another man, but that is a thing you could not help; and you could not very well cut a piece off one man's meat at dinner and say, "How much did you pay, I paid \$10; and how much did you pay, \$12—here is a little more meat for you because you paid \$12." You have to treat everybody practically the same.

4595

Q. That is, you have to give them the same accommodations? A. Practically so. You could not stop a man going to the lavatory because he pays a dollar less than another one.

Q. I understand that. Since the Cunard Line has been a party to the A. A. Agreement, I understand that it has lived up to that agreement at all times, is that so? A. At all times, yes.

4596

Q. And it has carried out the provisions of that agreement? A. It has done its best to at all times.

Q. That is, if the line carried more passengers than its allotted percentage, that it would pay into the pool, or whatever you care to call it, its \$20 compensation?

A. Quite so, sir.

Q. That has been true right along? A. Yes.

Q. It has paid at various times—at one time four or five thousand pounds or more, has it not, to the pool? A. Quite.

Q. That was for the reason that it carried more than its percentage of allowance, isn't that so? A.

If the line is paying into the pool it necessarily follows that it has carried more than its allowance.

Q. And that was to equalize what the other lines failed to carry, was it not? A. It was to pay to the other lines what they undercarried.

Q. And to equalize the matter as much as possible, is that right? A. To keep the promise; to carry out the terms of a contract.

Q. The Cunard Line since it has been a party to the Agreement "A. A." has filed, has it not, a guarantee deposit with the secretary, a promissory note of one thousand pounds, for every one per cent of its percentage allowance, isn't that so? A. We have deposited a deposit, yes.

4598

Q. What was the idea in that, that deposit? A. The idea of the deposit in this agreement, as in any other, was to insure that every party would live up to the terms of the agreement.

Q. And that deposit was to be forfeited if he did not live up to it? A. Yes. If they did not live up to it the agreement shows what was to happen if they did not.

Q. There was also a provision, was there not, that if a line refused to pay the compensation money which I mentioned that it would also forfeit part of that bond, or whatever it was called? A. Yes.

4599

Q. Isn't that right? A. I haven't the agreement actually in custody, but I believe that is in there. I admit all the conditions of the agreement.

Q. You remember that there was some such provision? A. I am quite sure, sir; I admit all the provisions of the agreement.

Q. There was also a part of the agreement whereby if one of the conference lines started a new line in competition with any of the contracting parties that that penalty would also be forfeited, was there not? A. I should like to refresh my memory on that point.

4600

There was a byelaw dealing with new competition, but I am not quite aware at the moment, that it is in Agreement "A. A."

Q. Now, that your memory is refreshed, do you now recall that clause was in the agreement? A. Yes, it is in the agreement, sir.

4601

Q. What was the idea underlying that clause? A. The idea underlying that clause was that it was an agreement concerning the various conditions that are outlined in it which each of the parties undertook when they signed it to live up to, and if any line did not live up to it, it was natural that the other lines should seek to obtain some redress against the line for violating the agreement which it promised to keep.

Q. Yes, but that clause there in regard to assisting a new line in competition with any of the contracting parties, that was, was it not, to prevent any outside competition? A. I don't say it was to prevent any outside competition. It was naturally, one might say, a protective measure; it was not an aggressive measure, it was a protective measure.

4602

Q. Did you talk that over with the rest of the members at the conference meeting, that particular clause? A. I don't think there was any more particular argument on that clause than there was on any other. I mentioned this morning that the British lines in entering into the Agreement "A. A." had realized the stable way in which the continental lines had been able to conduct their business under their own agreement or pool, and these clauses which were included in "A. A." are the clauses which had stood the test of many years, and were accepted as reasonable clauses and conditions. I don't see that we had need of very much commentary to Article 18. There is no comment needed.

Q. It is obvious, of course, to prevent outside competition, isn't it; that is the reason why no comment

was needed, isn't it? A. I suppose it speaks for itself; whatever any one elected to read into it. One line might read something different into it than another line.

Q. You would not attempt to state your opinion of what it was for? A. I should prefer to leave it as I say. It was one of the conditions which every one agreed to live up to.

Q. And that was obvious? A. Obvious.

Q. You were also present, were you not, at the Savoy Hotel, London, on March 25, 1908; I show you Government's Exhibit No. 705 which has been denominated, "Minute 22"? A. Yes. I was one of the unfortunate individuals apparently.

4604

Q. You are acquainted with what is in that "Minute 22," are you not? A. Yes; if my name is on there I must have been acquainted with it. I admit I am acquainted with what is on there.

Q. I will show it to you, if you have any doubt. Now, you remember that "Minute 22" was to provide against the competition of the Volunteer Fleet, Russian East Asiatic Company and New York Continental Line? A. Yes, it states that, I think.

Q. Now, those three lines at that time were the outside lines, were they not; they were in competition with the conferences lines in the North Atlantic trade? A. It is quite possible they were.

4605

Q. The Russian East Asiatic has since come into the conference? A. The Russian East Asiatic has since come into the conference.

Q. The process to be followed out there was that a fighting steamer—was it not so-called? A. Fighting steamer, so-called. I should say the word fighting was a term—

Q. You don't like it? A. We might have had a very good luncheon and so felt a bit more boisterous than we did in the morning and we just made the

term "fighting" because it sounded more congenial to us. They never were "fighting" steamers.

Q. Then they were opposition steamers? A. I would call them rather "protecting" steamers.

Q. Defending steamers? A. Defending steamers.

Q. Under this "Minute 22" the policy was to have fighting steamers, so-called, or defending steamers, if you prefer, put against the steamers of the other lines which were eastbound from the United States at the same or lower rate than those particular steamers of the outside lines, weren't they? A. I don't think they were ever lower.

4607 Q. I was just getting at the purpose of this "Minute 22" here; that was so, was it not? A. The purpose was that if it was made possible for people to cross on a ship at \$20 or \$22 whatever the rate might be, the Atlantic Conference Lines had to reserve to themselves the right of having steamers at the same rate.

Q. And it was also a fact that all of the other lines agreed to compensate such steamers. Supposing the rate was \$30, the ordinary rate was \$30, it would compensate the other lines belonging to the conference, it would compensate that particular line that had to put on fighting steamers down to \$18? A. Yes; the object of it was, sir, that when one line ran a steamer under this reservation they would have the right to have a steamer at the same rate as some one else.

4608 Q. The same or lower, it says? A. It was never lower. This minute was simply a reservation of the right on the part of the lines who formed the Atlantic Conference to have a rate as low as the line that was operating that rate, and naturally it followed that if one line had a steamer at that low rate which was not a paying rate, each other line contributed to that line to make the rate what would have been a paying rate.

Q. That is, if the line which had a particular steamer on against the opposition or outside line had

a regular rate of \$28 and the rate for that particular sailing to which it had been reduced was \$18 then the conference would compensate that line \$10? A. Quite.

Q. Under this "Minute 22" the line, or the vessel or opposition steamer, was to be appointed, was it not, by a majority of the members of the New York Conference, the so-called North Atlantic Conference and Continental Conference, with the Canadian Lines participating, is that right? A. Yes, I admit that.

Q. And the New York Conferences were under this minute to be allowed to appoint a small committee to carry out this minute? A. Yes.

4610

Q. Now, what I was coming to was this, the Cunard, during the existence of this minute, which I understand was in existence in 1908 and also resuscitated in 1909 the Cunard lived up to that minute, did it not? A. Yes, quite. But they were not members of that committee.

Q. Paid its compensation? A. Honorably paid what was expected of them.

Q. Did they ever have any steamers which ran in opposition to any other outside line? A. I believe, sir, on one occasion, they had one ship.

Q. That is all you remember about? A. That is all I remember.

4611

Q. This also dealt with, did it not, the question of disciplining agents who represented outside lines? A. (After examining paper.) Yes, it apparently did, sir.

Q. You will observe in that minute that Secretary Peters notified Secretary Sandford to put in force that Rule 9 of the Conference Lines, did he not, as against the agents of the Conference Lines representing outside lines? A. Yes—

Q. And being disciplined if they did represent outside lines? A. Apparently reminding Mr. Sandford



of the rule that existed for years. It is, I think in the New York Conference regulations, which is not a minute which was simply drawn up at that time.

Q. This minute was drawn up at that time? A. Rule 9?

Q. Had been in existence for a long time? A. Yes, I think so; I am not aware of the rules of the New York Conference, but I think that is one of some considerable standing.

Q. Anyway that was put in force as an opposition measure against the outside lines at that time, was it not, in addition to the fighting steamer proposition?  
4613 A. It was drawing attention to the fact that the agents who were accepting agencies of the lines in America had agreed to accept certain conditions under which they were in their appointment. It was simply reminding the New York Conference that the agents should live up to what they had undertaken to do.

Q. And that that regulation should be strictly enforced against agents who did not live up to it? A. You must read also that any other regulations must be strictly enforced; it practically meant that.

Q. But that was one they had that was dealt with particularly in this minute, was it not? A. Yes.

Q. Rule 9—I show you Petitioner's Exhibit No.  
4614 220, which appears to be circular No. 5 of the North Atlantic Conference, and ask you whether that Rule 9 was not put in force as against agents who booked passengers via Genoa or Naples who were destined to Continental points, and that agents were instructed not to book such passengers under penalty of disqualification? A. It is apparently a minute of the North Atlantic Passenger Conference of New York. I don't know exactly in what way it was—

Q. You will find the Cunard Line signatory to that notice. That is from the New York office? A. That is apparently a rule of the New York Conference and

it must have been put in operation. I don't know of any case—

Q. Do you know the occasion for that rule? A. The occasion for that rule was to prevent them doing what the rule says.

Q. I mean the particular occasion for this notice or circular? A. I don't know of any particular reason. It is dated May 6th, 1908, I cannot recall at this date any particular point which resulted in this rule; not at the moment.

Q. Wasn't the idea there underlying this notice that this was a measure against the Italian Lines who, at that time, were outside of the conference? A. It may have been some adjustment of booking on this between the Continental Lines on the one part and the Italian Lines on the other.

4616

Q. It was to prevent, as is mentioned here, such persons as the Austrians, Croatians, Dalmatians, the Germans, Hungarians, Russians, Slavonians, and so forth from embarking from Genoa or Naples and going via Hamburg and Bremen and Rotterdam; isn't that the purpose of that notice, by compelling agents not to book them for those points? A. The object of it is plainly stated there. I admit what it states in there. I don't know of any specific case or any actual reason which prompted them at that moment when that was drawn up; I was not present.

4617

Q. Don't you recall that at that time there was a serious controversy between the Conference Lines and the Italian Lines as to who should get the Continental passengers, whether the Italian Lines or the Continental Lines, members of the conference? A. I dare say that that, sir, was or had some bearing upon it. I take it, it was something resulting from an adjustment of the business.

Q. The only adjustment of the business that possibly could be covered by that, would be, would it not,

having those steerage passengers whom I have mentioned go via Hamburg, Bremen or Rotterdam rather than by Genoa, from which the Italian boats sail, isn't that right? A. There may have been some reason at that particular time which called for that circular.

Q. Don't you recall that you have mentioned that you attended all the conference meetings? A. That is a conference meeting on this side.

Q. I know that is a conference meeting on this side. But you have stated you attended all the conference meetings in Europe, have you not? A. Yes.

4619

Q. Or on the Continent? A. Yes.

Q. And the matter of the Italian competition was taken up in those meetings, was it not? A. The question of coming to an agreement with the Italian Lines was one of the subjects as shown, and subsequently I believe an agreement was made to do it.

Q. And you remember that Mr. Ballin of the Hamburg-American Line and Signor Crespi took up that matter for many months, the matter of the Italian Lines joining the conference? A. Yes. We were not quite so intimately connected with those negotiations because the Cunard Line was not in the west-bound Italian business.

4620

Q. It was evidently interested in it here? A. In New York, but we were not interested so vitally in it; we came in more as a secondary party.

Q. The Cunard Line, is interested, however, in the Hungarian business? A. The Cunard Line is interested in Hungarian business, yes, that is right.

Q. The Cunard Line, attempted, did it not, to make an arrangement with the Hungarian Government for a certain pooling arrangement which would satisfy the Hungarian Government so as to carry Hungarian passengers, did it not, under such arrangement? A. Of what period are you speaking? At the inception

of the Cunard Company's arrangement with the Hungarian Government?

Q. Any period? A. That is prior to Agreement "A. A."

Q. I mean the Cunard Line was interested in it to that extent? A. The Cunard Line was interested in the Hungarian business.

Q. And the Cunard Line was unable to make that arrangement, wasn't it, with the Hungarian Government? A. Difficulties occurred which prevented the Cunard Line making the arrangement.

Q. Will you tell me some of the difficulties? A. I cannot tell you, sir, exactly what objections the Hungarian Government had to our coming to an agreement with other lines on Hungarian business at that particular time. There were objections raised. They may have had some reasons in their mind by which they did not wish the Cunard Company's business to be brought into an agreement.

4622

Q. You say there may have been; do you know what those were? A. I stated, sir—you are speaking of the time when an effort was made by the Cunard Company or by the lines to bring the Cunard Company's Hungarian business to Agreement "A. A."?

Q. Yes. A. You are referring to that period?

Q. Yes. A. The Hungarian Government apparently had no objections to the Cunard Company working their agreement with the other lines, in harmony with the other lines, but at that time I believe it did not feel that it could commit itself to allowing the Cunard Company to put the passengers into the pool. I guess that was the only reason. They did not tell us, naturally, every reason that they had in their mind.

4623

Mr. Bradley: You say "they"?

The Witness: The Hungarian Government.

Q. At any rate they did not allow that arrange-

ment to be effected at that time? A. They did not allow it, but subsequently I might say, that the Hungarian Government quite accepted the reasons which were put forward, the benefits of protecting the business under a stable pool, and had no objection whatever to the Cunard Company putting their business in.

Q. Did they give you the reason that it was under a stable pool, that was the reason they agreed to it; they did give you a reason for that, but they did not for the other? A. I didn't say they had given us the reasons for that, but we showed them the benefits of protecting the business under a pool which provided a stable conduct of the business, and the Hungarian Government I think were wise enough to accept that.

Q. You wouldn't say they gave you those reasons though, would you? A. I wouldn't say they gave us the reasons.

Q. You gave them the reasons? A. We gave them the reasons and I am glad to say they were wise enough to agree. I know that if the Hungarian Government had not been satisfied with regard to the provisions under the pool, I don't think they would have agreed.

Q. Do you remember the time when there was a serious competition with the Italian Lines, don't you, in regard to the Continental passengers? A. I think there was competition, yes, sir.

Q. That lasted quite well up to the time of the agreement with the Italian Lines? A. Yes, although, as I said before, we were not so deeply interested in the Italian situation. It was more secondary with us; we did not take part in any of the Italian negotiations.

Q. I show you Mr. Peters' circular letter, No. 81, and marked Petitioner's Exhibit No. 1280, and call your attention to No. 4, a letter apparently from the

Cunard Line, of May 6th, and ask you whether that refreshes your memory as to whether the Cunard Line, along with the other lines, members of the Conference at that time, reduced the rates considerably—\$10, with \$5 compensation as against the Italian Lines? A. This is a telegram to which you refer from the Cunard Company, which I do not deny for one moment. It says that the lines would agree to reduce to ten dollars the eastbound rate.

Q. That is what I stated, that the subject-matter dealt with there was the reduction of rate as against the Italian Lines? A. Yes, and, as I said, we followed practically in this because we were only interested in a very minor degree in the Italian business.

4628

Q. At any rate, you carried out the— A. We quite agreed, sir.

Q. What the Conference had agreed upon there as against the Italian Line? A. Yes, and I hope we always carry out what the Conference agree upon, on that or any other question.

Q. I show you Government Exhibit 1,282, marked Peters' Circular Letter No. 97, in regard to Continental steeragers, by the Italian Lines, and ask you if that refreshes your memory to the extent that you know the Cunard Line upon the Cunard Fiume service did not reduce its rates as against the Italian Lines, on that service? A. Apparently so, and we gave the reason.

4629

Q. You remember that as so? A. I accept this. I cannot carry my mind back to answer what happened on May 18th, 1908. But you show me that and I agree what we stated then we decided to do. We admit it.

Q. I call your attention to Government Exhibit No. 1,348, which purports to be a Conference meeting at the Savoy Hotel, London, on November 25th.

1909, attached; you appear to have been present, and I ask you whether this refreshes your memory as to the general advance—an agreement between all the lines as to a general advance in second-class rates of ten shillings?

Mr. Beers: Does that refer to second-class rates?

Mr. Guiler: Yes.

Mr. Beers: I object. It is quite incompetent.

4631 A. I can give a very simple explanation for that. It is not a Minute made by agreement "AA" Lines at all. It so happens that the "AA" Lines have signed it because they carried second cabin passengers. Other lines signed that who are not in the Agreement "AA," and it was, I think, the lines felt at that time, that the expenses of running ships were increasing all the while and that the conditions warranted an increase in the rate, which they naturally endeavored to put into operation.

Q. It was an agreement of all the lines, members of the conference, was it not, to a general advance in second cabin rates, isn't that right? A. Obviously, sir. We could not advance any rate unless we had an agreement.

4632 Q. From looking at this, you will notice that every line in the North Atlantic trade was represented? A. Yes, as I say every line—there were not only "AA." Lines, but lines who were members of other agreements.

Q. They were lines members of the so-called conference? A. Yes, they were conference lines, but they were not all members of the "AA." Agreement.

Q. All members of the "AA." Agreement were there, were they not? A. All the members. The simple reason is that we endeavored to advance a

rate because the conditions of operating are increased, the same as you would on land if you increased a railroad rate.

Q. That advance was made, was it not, and the matter of increasing the third cabin rate was also taken up at that meeting, wasn't it, advancing that proportionately? A. (After examining paper.) Yes.

Q. So that third-class rates were also taken up in that meeting? A. Third-class rates were taken up.

Q. And the matter of that advance was referred to the British conference, was it not? A. Yes, it was.

Q. Do you remember what action was taken on that? A. I cannot. If you have got the minutes of it, I might remember.

4634

Q. I will ask you, Mr. Lister, if the Cunard Line, from time to time, took up the matter of disqualifying—if they took an active part in the matter of disqualifying various agents for representing the North West Transport Line and reported such matter to the conference; I show you Secretary Peters' circular letter, No. 518, which takes up the matter of Lozantcheff Freres? A. Yes, we took up that. We advised the conference, Secretary Peters, just the same as any other line would advise, if they found anything which they thought was contravening their agreement.

4635

Q. The North West Transport Company was not in the agreement, was it? A. It was not at that time; but they might have been, might they not?

Q. No, for they never were, were they? A. It was not our fault.

Q. I say they never were? A. I think there is a North West Transport. I think that is now the Uranium Company, is it not?

Q. Yes, but they were never a member of the conference? A. No, but if they had shown they were able to control their agents and take care of the business they would have been in it.



*Sidney John Lister*

4636

Q. The point is that the Cunard Line, reported a case where an agent was apparently representing an outside line and asking for his disqualification? A. Yes; I cannot recall that the disqualification ensued.

Q. But the Cunard Line reported it for disqualification? A. It reported it for action.

Q. Now, I will show you conference circular, No. 875, of Mr. Peters', which I ask to have marked in evidence—

Circular number 875 marked Petitioner's Exhibit 1,916.

4637

Q. Now, it appears from that, which is dated, June 14th, 1910, that on the 13th of June, 1910, the Cunard Line withdrew from action under Minute 22, didn't it? A. Yes, sir.

Q. Do you remember what was the cause of that withdrawal from Minute 22? A. I cannot remember, sir, the actual facts, but I take it that we desired to be free from Minute 22.

Q. You did not act in that particular meeting, did you? A. We had not found that it did us any harm.

Q. Did you fear, in any way, that it might do you harm? A. No, I don't think that we had any fear.

Q. At any rate you withdrew from it, or gave notice to withdraw at that time? A. We gave notice to withdraw.

4638

Q. You remember that? A. I remember that.

Q. Outside of this here, outside of this record? A. We gave notice to withdraw.

Q. I show you Mr. Peters' circular letter, without number, but marked Petitioner's Exhibit 1,584, and which encloses the minutes of a conference meeting, at London, on 11th of July, 1910, and at which Mr. Booth and Mr. Mearns of your line were present, and ask you whether it refreshes your recollection as to whether the Cunard Line withdrew its withdrawal no-

tice from Minute 22, as against the Uranium Steamship Company, or, in other words, continued to take part in Minutes 22, as against the Uranium Company; that is true, isn't it? A. That is true.

Q. From that minute? A. That is true, from that minute. I was not present.

Q. But you remember it continued against the Uranium Line? A. Yes, I admit it.

Q. I think you have stated this morning, Mr. Lister, that, say, from the beginning, or from your experience from 1890 up to the present time, there was a continuous increase in tonnage of ships which were carrying third-class passengers, is that right? A. Yes.

4640

Q. Up to, say, 1908? A. Up to 1908.

Q. A steady increase in the tonnage? A. Steady increase in the tonnage, in size of ships. I don't know that I said in tonnage. I don't know what the actual tonnage operating to America, in 1890, was, or what it was in 1908. What I said was, that there was an increase in the size and improvement of the ships.

Q. Can't you, from your experience, say whether there was an increase in the tonnage or not, whether within a period, in other words, twenty years, from 1890 to 1910? A. All the lines increased their ships.

Q. Now, during all of that time, was there a similar increase in the amount of immigration? A. There was, sir; it fluctuated.

4641

Q. Some years were so-called, lean years, when you didn't have so many? A. Yes, and some years were fat years.

Q. And some years when you had more? A. Quite so.

Q. Supposing that all the various lines were carrying the full capacity of passengers, do you think a conference would be necessary, if they were in such a position that they were carrying as many passengers

*Sidney John Lister*

4642

as they could, steerage or otherwise? A. Yes. I think the conference is necessary at any time, whether they are full or whether they are empty.

Q. Where there is a great demand for them or whether there is a small demand? A. Or a small demand.

Q. I show you Petitioner's Exhibit No. 704, which has been identified by Mr. Ismay, in regard to saloon rates, in which he states—

Mr. Guiler: I understand this is under your objection, Senator?

4643

Mr. Spooner: Yes, and the further objection that it does not relate to third-class business.

Mr. Guiler:

4644

Q. (Continuing)—in which he states, on January 9th, 1900: "I am sailing tomorrow per Oceanic for the round trip," and this is addressed to Mr. Ballin, "I am sailing tomorrow per Oceanic for the round trip, and although there seems no necessity to come to an agreement upon rates this season as all the lines appear to be booking well at good rates, I have had a talk with our people on the matter and enclose for your private information memo of what we think would be a fair classification and rating for the respective steamers, and shall be glad to hear how far it coincides with your own views." Now, apparently Mr. Ismay there, thought that so long as the lines were carrying their full first and cabin capacity, there was absolutely no necessity for a pool or conference, in that particular class of business; do you agree with him on that? A. I can't tell what Mr. Ismay thought in 1900. I say I do not agree with him.

Q. You do not agree with him on that? A. No.

Q. You do not agree with Mr. Hannah on that

either, do you? A. I do not agree with Mr. Hannah either.

Q. Supposing you have a vessel, Mr. Lister, of about 25,000 tons, can you tell me what would be the approximate expense of your running that vessel on a trip from—no, what would be the gross return on that vessel from Liverpool to New York? A. What do you mean by gross return, sir?

Q. (Question read.) A. Do you mean by gross return, the receipts?

Q. Gross receipts, yes? A. It varies. It varies with so many circumstances it is impossible to give you any idea.

4646

Q. Get it as approximately as possible? A. I am afraid I could not undertake to give any estimate as to what the receipts would be. The receipts vary in accordance with the fluctuations of the trade to which you have already referred.

Q. I am supposing an average voyage? A. I could not take an average voyage; they vary so very considerably.

Q. Could you give me any idea then, of the net return from such a voyage? A. That would vary also, sir. I could not give you any idea of the net return.

Q. Could you give me any idea then, of the amount of overhead charges on such a voyage, charges of ship, coal, and so forth? A. Whether you get a good voyage or a bad voyage, your overhead charges remain the same. You have to send the ship, you have to supply her with coal.

4647

Q. You stated this morning, certain things that you knew about the prices of coal and so forth, and I want to see whether we could lump this matter up, and get in one statement, what you think would be the overhead charges? A. That entirely, sir, depends on the voyage. It would be difficult to give any

average of what the expense of running the steamer to America was. It might be very considerable one trip, and they might reduce them on another trip.

Q. I am talking about a 25,000 ton boat? A. You have got to have one thing; you have got to have your coal to take her to New York and bring her back. That is a standing charge; you have to have your crew, but your crew varies in accordance with the number of passengers.

Q. Couldn't you lump it up? A. It is too difficult. I would, willingly, if possible, but I could not name any figure.

4649

Q. You have been in the business for twenty years, haven't you? A. I have.

Q. Couldn't you approximate the average net and gross return for a ship of that size? A. I don't think I could give you any average net return any more than I could give you any average net expenditure. You could say on one voyage the expense of a certain ship might be ten thousand pounds and it might be fifteen thousand pounds on another voyage.

Q. Supposing, for the sake of example, that the gross returns on a voyage of a 25,000 ton boat were £22,000, can you give me any idea of the net return for that particular boat, or of a boat of that size?

4650

A. I couldn't give you any idea of a net return. It varies so much. If you get a full ship of first-class passengers and a full ship of second, and a full ship of third-class on the voyage, your net return is more than if your ship goes off empty.

Q. I know, but I would like some definite information on that if you possibly could from your experience. You have been running these vessels for years, and I would very much like to get some idea about that; as a practical man, you know. Supposing you make a gross return of £22,000, you would know what profit you make on that? A. Our profits are all

shown by our balance sheets. In the first place, I cannot possibly carry in my mind what would be the net return or the net or gross receipts on any particular voyage, and in the second place, it is a point which I would not care for everybody to know, what our expenses are, or what our receipts are.

Q. I don't mean yours; I mean an average return; I don't confine it to one ship of yours or anything; I am asking you from your experience? A. It is a point on which things vary. We might keep up our ships and so might another steamship company, spend a lot of money in making repairs and renewals, and another company might operate a 20,000 ton ship and spend less than another steamship company might do.

4652

Q. Supposing that the charge for overhead expenses on that vessel, a vessel of that size, were twenty-two hundred pounds, can you give me the net return from that, having already had the gross return—the approximate net return? A. It is so difficult to get into my mind any ship at the present time that can be operated across the Atlantic at twenty-two hundred pounds that I am overwhelmed.

Q. No, that is overhead expenses? A. What do you mean by overhead expenses?

Q. I mean the charges of the ship and coal and so forth? A. I cannot quite appreciate the question, because, as I said before, the amount varies and that amount is so ridiculously low.

4653

Q. You cannot give me, from having the figure of the gross return and having the overhead charge, the gross return on it amounting to twenty-two hundred pounds, you cannot give me any idea of the approximate net return, could you? A. I could not, sir.

Q. Would you say that on such a voyage the net return on such a vessel would be 5,000 pounds? A. It is such variable property; you might take a voy-

age where you make 5,000 pounds and you might take a voyage where you make less.

Q. You cannot help us out at that, at all, as to anything definite from your experience? A. I have had experience enough, but I cannot carry figures. It is a question that has never been asked before and one cannot tell. Your ship sails and you don't know until she comes back what she is going to make, and you cannot make any average figure.

Q. I have given you the figure which apparently was made on a vessel of that size, and I tried to see whether you, from your experience, could say whether that is approximately what that would cost or not? A. I did not appreciate your reference to twenty-two hundred pounds for a 25,000 ton ship. I don't see any figure in a 25,000 ton ship except a profit that operated twenty-two hundred pounds.

Q. You can't see a profit of 5,000 pounds in a ship of such a size, can you not, on one voyage? A. It all depends on your running expenses. Your running expenses vary so much from time to time one can never prophesy what your voyage is going to pay.

Q. I say it is possible to make that on one voyage? A. The bigger the ship, the more you make.

Q. Cannot you answer that directly, if it is possible to make 5,000 pounds on such a trip? A. I should think on a full ship of 25,000 tons, both ways across the Atlantic, it is possible to make 5,000 pounds.

Q. You stated this morning, Mr. Lister, that the Cunard Line had a capital of £1,600,020? A. Yes, sir.

And some other figures in regard to the capital not having been changed and so forth, and the dividends paid on that for thirty years to be 2.80; that was before the conference? A. Including the conferences as well.

Q. And for the past ten years 3.30? A. Yes.

Q. And since the "AA." Agreement, 2.75? A. Yes, sir.

Q. You also stated that there was absolutely no water in the number of shares, which you had there? A. Yes.

Q. Now, can you tell me what the gross profit for the year on that capitalization has been, for the year 1908? A. I could not tell without referring to our annual report; our annual reports show it.

Q. You cited the annual report this morning, I think? A. Yes.

Q. I would like to get a little fuller knowledge as to that? 4658

Mr. Beers: You mean gross receipts?

Mr. Guiler: Yes.

Q. For the years, say, 1908, 1909, and 1910? A. I couldn't tell you that without the statement.

Q. Have you got it here? A. I don't know that I have. Mr. Beers may have it.

(Mr. Beers produced statement and hands same to witness.)

The Witness: (After examining paper.) Yes.

Q. Can you give me that? A. What is the question. 4659

Q. (Question read.)

Mr. Beers: As I understand your question is as to the gross income. Of course, profit involves an idea of a net figure. I understand what you are asking for is the gross income?

Mr. Guiler: I ought to have said gross income.

A. The gross income for 1908 was—these are in pounds—£2,496,997; in 1909, the gross income was £2,820,577; in 1910, £3,068,425; in 1911, £3,081,263.



4660

*Sidney John Lister*

Q. Now, will you give me the net profit during those years? A. 1908, net earnings £172,971; 1909, £649,416; 1910, £958,158; 1911, £815,724.

Q. Now, will you take the three years prior to that? A. Yes. Do you want the gross, as well as the net?

Q. Yes? A. In 1905 the income was £1,773,268; in 1906 it was £2,270,016; in 1907, £2,499,274; and the net earnings in 1905, £308,172; 1906, £553,193; 1907, £554,794.

Q. Have you got those same figures for the years 1904 and 1905? A. I gave 1905 before, but I did not give you 1904.

4661

Q. Give me 1904? A. 1904, £1,488,760 gross income, and our net earnings were £61,588.

Q. Can you give me those same figures for the year 1897 and 1898? A. Yes; 1897 the gross income was £1,302,130; in 1898, £1,313,295. Net earnings for 1897, £214,458; 1898, £249,406.

Mr. Beers: Let it be noted that those figures are subject to verification and, if necessary, to correction.

Q. Can you give me the gross tonnage for those years which I have mentioned? A. Yes, I can.

4662

Mr. Beers: That is starting with—

Q. 1908, 1909 and 1910? A. 1908, 245,813 tons; 1909, 217,109 tons; 1910, 224,311 tons; 1911, 267,107 tons. Then you had 1905, 1906 and 1907; in 1905, 182,242 tons; 1906, 182,345 tons; 1907, 245,813 tons. Then you asked for 1904?

Q. Yes? A. 1904 was 162,679 tons. Then you asked for 1897 and 1898. 1897, 119,215 tons and 1898, 114,332 tons.

Q. So that, Mr. Lister, from 1897 to 1911, the tonnage of your line was about doubled? A. A little over double.

*Sidney John Lister*

4663

*RE-DIRECT EXAMINATION by Mr. Beers:*

Q. Mr. Lister, you have testified in response to Government questions as to the amount of the net earnings of the Cunard Company for certain years? A. Yes, sir.

Q. Have any amounts had to be deducted from those net earnings to which you testified before arriving at the sum which was available for dividends, and if so, what deductions have had to be taken? A. From that has to be taken the depreciation and interest on bonds and stocks.

Q. Will you explain on the record, please, what you mean by the amount taken off for depreciation?

4664

A. We write off every year 5% on the gross value, or original value of the ship. As I said, we look upon that from experience to have been shown to us to be a reasonable figure to write off. A ship starts off with an original value and time brings out other steamers and in addition to that a steamer is getting older all the while and less attractive, and her value as an earning power naturally diminishes, and we estimate that it diminishes from all those various causes to the extent of five per cent per annum.

Q. Has the practice of writing off five per cent of the value of ships per annum, been followed by the Cunard Company for any considerable period of years? A. Ever since we started.

4665

Q. How has that practice and that five per cent annual writing off worked out, in actual experience? A. We can prove that I think very well by taking the number of ships that have been sold, for instance, and what the company has got for them.

Q. That is, sold when they were no longer useful to the Cunard Company? A. Sold when they were no longer useful to the Cunard Company. I think we have sold twenty-four ships which represented in

*Sidney John Lister*

4666

tonnage—I can't quite tell you the tonnage, but we have sold over that period twenty-four ships and the difference between what we got for them and what they stood in our books, when they had been written down, was only 1,000 pounds. That was spread over twenty-four boats.

Q. So that you came within 19,000 pounds of being absolutely correct? A. Of being absolutely correct, as to the value of the old ships.

Q. On a five per cent basis? A. On a five per cent basis.

4667

Q. Mr. Lister, am I correct in understanding that the Cunard Company has sold twenty-four ships which had proved no longer available for its business, and that the sums which it realized on those twenty-four ships in the aggregate were the amounts at which the value of those ships had been written down with the exception that the sum realized varied from that by about 19,000 pounds? A. That is so, yes. The sum that we obtained varied by 19,000 pounds for the number of the ships from the amount at which they stood in our books when they were sold.

Q. And as I understand the amounts at which they stood in your books were the amounts which had been arrived at by writing off five per cent of their value

4668

a year? A. Quite so, sir.

Q. And that is correct, is it? A. That is correct.

Q. And was that method followed from the time they were acquired until the time they were sold? A. Yes.

Q. And has that method of keeping your depreciation account been continued down to the present time?

A. Continued to the present time.

Q. Will you state, please, what amounts were written off to depreciation account by the Cunard Company in the years 1908, 1909, 1910 and 1911? A. In 1908 we wrote off for depreciation £296,778; in

1909, £376,483; in 1910, £471,198; in 1911, £455,298.

Q. In arriving at the sum available for dividends, each year, has it been necessary to deduct from the net earnings any amounts other than for depreciation account? A. For the last three or four years we had to deduct also interest on certain bonds.

Q. Mr. Lister, can you recall about what the Cunard Company realized on the sale of the twenty-four ships to which you have referred and are those figures at hand? A. Twenty-four ships, sir, were sold for 190,000 pounds.

Q. Can you state how much the twenty-four vessels sold, originally cost the Cunard Company? A. £2,560,000. 4670

Q. Did you, Mr. Lister, during the rate war, in 1904, especially observe the third-class passengers who actually embarked on the Cunard ships at Liverpool? A. Yes, because in 1904, I was head of the Third-Class Department.

Q. At Liverpool? A. At Liverpool.

Q. Did your duties especially direct your attention to those passengers at that time? A. Yes, my duty was not only in the office, but I used to board every ship. I mean to say every ship when I was in Liverpool; I may have been away from Liverpool for a day, you know. 4671

Q. Did the third-class passengers who embarked on the Cunard Company's ships at Liverpool, during the prevalence of that rate war, differ from the ordinary, average Cunard passengers? A. To a very marked degree. If you would like me to illustrate—

Q. State, please, how they differed? A. At the time of the rate war—

Q. Confine your attention to the rate war of 1904? A. At the rate war of 1904, what happened was this: directly the rates were reduced, certain agents who

*Sidney John Lister*

4672

were in touch, close touch, with this lowest class of passengers drawn from the East End, if I might say, the slums of London, and from such places as the lowest quarter of Leeds and lowest quarter of Manchester, and the big towns, they used to secure in advance large numbers of berths in each ship, and they used to send in as many as a hundred at a time of advice slips of the bookings of these passengers. When the passengers came along we found out that they were practically the very poorest class of men, still, having been booked we were bound to accept them.

4673

Q. Did you personally see the passengers who embarked at that time? A. Personally. I have a very vivid recollection of what was happening at that time, I think. A class entirely different.

*RE-CROSS EXAMINATION by Mr. Guiler:*

Q. Now, Mr. Lister, those passengers were accepted however by the Cunard Line, were they not?

A. They were accepted by us.

Q. And carried to the United States? A. And carried to the United States.

Q. Were they examined by your physician before they left Liverpool? A. Yes.

4674

Q. They were? A. Yes.

Q. Did you notice whether any greater proportion of those emigrants were sent back than had been sent back during previous years? A. I can't tell you exactly.

Q. After examination by your physician? A. Certainly, we used to reject very large numbers.

Q. I mean by the emigration officers here? A. The Ellis Island records will show that. I cannot answer that.

Q. Have you got them here? A. I don't think I have any Ellis Island records here. The bulk of the

passengers though, who were accepted, were those who just squeezed through; they were just over the level to enable them to flow in practically; that is what you might say of them.

Q. You didn't notice any appreciable number of them who were sent back by the authorities at Ellis Island, during that year? A. I cannot recall at the moment, what numbers were deported. I think we could furnish you some definite information if you wish.

Q. So far as your memory goes, however, they were not any different that year than others? A. The number sent back may have been a little larger in those years, sir.

4676

Q. That is your recollection? A. That is my recollection. As I say, they were just admissible according to the laws and therefore they were naturally permitted to enter the country; but they were a very different class of people to what we get in ordinary conditions.

Q. But those who had tickets or booked tickets and appeared to be fitted to go through according to the regulations of the United States authorities here, were permitted by the Cunard Line to go through and to be carried? A. Yes, because they had tickets.

Q. Although they were of a lower class? A. Were of a lower class. But they had tickets. Under the British Merchants' Shipping Act, and although they were a very poor class of people, we had to go through them and then we said we cannot see any reason why they should not be admitted to the United States, and, therefore, we had to carry them. Had we rejected all of them in Liverpool we would have been liable to action by every one of them under the Merchants' Shipping Act.

4677

Q. Hasn't it come to your observation, that the emigrants of late years had been—even of the worst class—that is, take the emigrants from Southern Russia

and Hungary and various other places, Southern Europe, whether those were not the worst class, a worse class than those coming from Leeds, Manchester, London and so forth? A. I don't think they were such a bad class; I don't think they are such a bad class.

Q. Aren't they a poorer class? A. I don't say so. I think you will find them more thrifty.

Q. Aren't they a poorer class than the average Britisher that comes from Leeds and Manchester? A. These might not be British; these are all foreigners that came from London and Leeds and Manchester. 4679 When I say foreigners, I mean foreign to England; they were what we call aliens in England.

Q. Then this examination that you had by the physician there was as much for your benefit as it was for the benefit of the United States Government, was it not? A. Just as much, because we did not want to carry people over who were likely to be deported.

Q. And who would be taken back at your own expense? A. Yes, as I said this morning; I think we have an excellent reputation at Ellis Island and are always anxious never to do anything to put a black mark against us. I think we go in for far more extensive weeding out though, than anybody else.

By Mr. Spooner:

Q. Then a part of your testimony is to the effect that a war of rates, the demoralization of rates has an effect upon the quality of the emigrants that come over? A. Yes, that is; the likely or commercial class of passengers at once falls down.

By Mr. Guiler:

Q. But your carryings were appreciably increased during those years, weren't they, at the lower rates? A. Our carryings in 1904 in the rate war, I don't

think they were very much more than what it would have been in an ordinary year; our receipts, of course, were enormously less.

Q. Hasn't it been your experience that at the lower price a great many more emigrants travel than at the higher price? A. I might say that is true, but you cannot carry any more than your tonnage will accommodate.

Q. Isn't that shown by the fact of the arrangement in the Agreement A. A., whereby those plus in the pool, shall increase their rates in order to bring them down to their proper proportions; that is shown by that rule, isn't it? A. I think I know what you want. At the time of the rate war, with the low rate, you did encourage a lower class of people to travel, but under Agreement A. A., where you have different rates, it doesn't say, because a line advances its rate, that the passengers who are coming at the old rate are undesirable, or as undesirable as they are in time of a rate war.

4682

Q. No, I don't mean that; what I meant was the high rate would have a tendency to retard the steerage passengers from coming in such great numbers? A. That has not been our experience.

Q. Isn't that the theory of that arrangement in the pool, that certain lines who are plus in the pool shall increase the rates? A. It certainly should.

4683

Q. And other lines who are minus in the pool should decrease? A. On the face of it, it should have that effect, but you have a strange situation; in fact our most attractive third-class ships are our highest rated third-class ships.

Q. What ships are you referring to there? A. The Lusitania and Mauretania.

Q. Those ships are in a class by themselves, are they not? A. In speeding, but not in third-class accommodation.



*Sidney John Lister*

4684

Q. So that a person who is in a hurry to get to the United States or return from it, would naturally take those boats, would he not? A. Very probably.

Q. But, take the average boat, with the average experience under the plus and minus rule of the pool you have found, have you not, that a high rate will prevent certain people from travelling and a low rate will attract the people to travel? A. I don't think we have noticed it to any great extent, and further, I don't think we noticed any change in the passengers when we have what you might say, a stable rate, an ordinary rate of \$30, as compared with a rate of \$40.

4685

By Mr. Spooner:

Q. You mean, you don't see any change in the number, only in the quality? A. Only in the quality.

By Mr. Guiler:

Q. You remember I showed you this afternoon that letter of Secretary Peters where you refused to lower your rate on account of your position in the pool? A. That was from America.

Q. That was because you were at that time plus in the pool? A. In our Fiume Pool.

4686

Q. And you felt at that time that because you were plus in the pool you would continue to be, if I may use the term, more plus in the pool if you lowered your rates, did you not? A. Yes, because the passengers we were carrying in those particular boats were ones that would be more influenced by the fluctuation of rates than the average passengers we carried in our other steamers.

By Mr. Beers:

Q. During the rate war of 1904, did the physicians of the Cunard Company, in Liverpool, turn back a greater percentage of those applying for passage than usual? A. Yes, they did.

Q. For physical reasons? A. For physical reasons.

Q. And is it not a fact that under the British Shipping Act you reject an applicant for passage at your peril? A. At our peril.

Q. And if you reject a person whom you ought to accept you are subject to action? A. I can give you an instance where we rejected a passenger for trachoma, because our doctors told us that the passenger had trachoma, and that passenger brought an action against us. They are not confined to the Merchants' Shipping Act, they can go against us at common law. The passenger brought an action and that cost us one hundred fifty pounds, simply because we would not inflict on the United States a passenger whom we knew had trachoma. We reject a man because he is disabled, and he at once claims against us. If we prevent him from earning his living in America, where he is not supposed to have any work to get to, he at once proceeds against us and the British Law hits us again. We have had cases of that kind.

4688

Q. From your experience in the passenger business on the North Atlantic, Mr. Lister, what, in your opinion, would be the condition of that business, if all the agreements between the passenger lines were prohibited? A. My opinion would be, sir, that the whole of the business would at once become demoralized; that every line who would be free from what we might say a self governing influence, an influence which tends to the good of the business, would be entirely free to book anything it could, at any rate it could, and run any risks that it liked of a passenger being taken into the United States; it would try and, naturally, be apt to do its business in a very—well, one might say, undesirable fashion.

4689

Q. Would such a condition, in your judgment, lead to losses which would result in the retirement of some

*Sidney John Lister*

4690

lines? A. I think it would. You would find that the lines, if there were no agreements, for a time would try and keep a fairly average rate for the carriage of their passengers, but if one line saw then that it was not getting its passengers against another line it would naturally tend to reduce rates and then the battle would be to the strongest, of course.

4691

Q. What relation or analogy would there be, in your opinion, between the arrangement embodied in Agreement AA and such a control as any government might maintain over its own carriers within its own borders? A. The thing is very similar I think you might say. There is no government on the ocean, but there are steamship companies, so they try to devise some rules for carrying on their own business, and to control the conditions of traffic, just the same as any country tries to devise some laws for the conduct of its passengers, and the conduct of traffic on shore, on its own land.

Q. That is, it is local self-government on the sea? A. It is practically local self-government on the sea.

Q. In the absence of any other kind of government? A. In the absence of any other kind of government.

4692

Q. From your experience, do you think that the maintenance of stable passenger rates on the North Atlantic is as important to the public as it is to the steamship lines? A. I think it is every bit as important.

By Mr. Guiler:

Q. What do you mean by the answer which you made to Mr. Beers that the business would be demoralized; do you mean by that that every line would be out after all the business that it could obtain? A. No, sir I don't mean that altogether. I mean it would ignore all conditions covering agents, which is a very

essential thing. If you lose your agents' organization you will get agents who are not of very high repute, offering you passengers whom you are not sure they understand will be admitted to the United States; and I said in answer to the lawyer, that while each line would endeavor to maintain an average rate there would be nothing controlling that average rate and naturally when one saw that its business was diminishing that line would at once commence to reduce, and when they commenced to reduce probably others would follow, with the result that without an agreement certain of those lines which had been very estimable lines before, might be entirely hounded out of the business.

4694

Q. And it would be then the survival of the fittest, is what you mean? A. The survival of the fittest, yes.

Q. And you mean to state when you say that the agency proposition would be at sixes and sevens that the agents are somewhat human and would get as much out of you as they could? A. Yes, and out of the passengers. Probably if we reduced the rate the passenger would never know what he is going to get, and we know of cases where we told the agents the rate was four pounds or five pounds and he never told the passenger the rate, and probably closed a pound or two more for himself over that. The average passenger that come at the demoralization rate time is rather a more stupid passenger than at ordinary times, and he does not know that some of these passenger agents, what we say in England, would rook him every way they could.

4695

By Mr. Spooner:

Q. You would have no way to prevent it? A. There would be no way that we could know it.

*Sidney John Lister*

4696

By Mr. Guiler :

Q. But every line, then, irrespective of other lines, would be out for all the business it could get? A. They would be out for the business in exactly the same way they are out for it now. We are all out to get as much as we can, but there would be no agreement, there would be no controlling interest or influence; the rates would be maintained at just barely a probably paying figure for a time and then, as I said, they would drop and drop until the business was probably left in the hands of one or two, if they went on long enough. That would be the final result. Instead of having perhaps a dozen lines catering for the business you might get only two or three.

4697

Q. But might it not be possible that the two or three lines you speak of would have enough ships to take care of that business? A. Yes, but if there was no money to run the ships there would be no use of having the ships.

Q. But assuming the others were out of it, those two or three lines could take care of the business? A. I don't think they could. They could take care of all they could carry, but not all that would want to go, I think.

4698

Q. Don't you think they would be able to take care of it? A. I cannot answer that point; I don't know; it all depends on how many people are going across to America or any other country.

Q. We are only predicting here, and I am trying to get the benefit of your prediction? A. I expect they would build right away or buy for next to nothing the ships of the other people, which they could not operate.

Q. I want to know, Mr. Lister, if the two or three lines which were left and which proved themselves the fittest amongst all the lines, whether in your opin-

ion they could not take care of the business which those other lines, and they, had been previously taking care of? A. I don't think they could. I think what would follow, they would, the two or three that were running, would throw their chances together, or they would build new tonnage at once, or buy up the old tonnage that the others could not operate, because there would be a lot of tonnage there floating about, doing nothing.

Q. They would naturally, would they not, take up all the tonnage which would supply the demands of emigrants, made upon them? A. Yes, they would and let the other go.

4700

Q. And then the supply would be equal to the demand? A. Then we would have lost in the carriage of the passengers, and several of the companies that would possibly have had just as much right to be there as the others, that would be the result of no agreement.

By Mr. Beers:

Q. And in the event, Mr. Lister, that by process of elimination, the process of elimination that you have just been discussing, in the event of the lines in the passenger business in the North Atlantic being reduced to two or three, the business combining to increase the rate, the rate would be increased? A. Naturally, you would have it all in your own hands practically.

4701

By Mr. Guiler:

Q. In your opinion, Mr. Lister, the two or three lines that were left would be in competition against each other, wouldn't they? A. I think after you had such a serious situation as we have just been illustrating, I think you would find the opposition would be very much in love with each other.

4702

*Sidney John Lister*

Q. They would form another pool? A. They may not form another pool; they would still be in competition with each other, but they would endeavor to get back to the state of reasonable lines that they had been in before.

Q. That would mean another AA. in your opinion, wouldn't it? A. I have already admitted that I am a believer in pools.

Hearing adjourned until Monday, November 25th, 1912, at 11 o'clock A. M.

4703

---

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

---

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE-  
PACKETFAHRT - ACTIEN - GE-  
SELLSCHAFT, and Others,  
Defendants.

---

Before:  
Charles E.  
Pickett, Esq.,  
Examiner.

4704

New York, November 25th, 1912.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq.; Henry A. Guiler, Esq.; for the Petitioner.

Messrs. Burlingham, Montgomery & Beecher; by Charles C. Burlingham, Esq.; for the Anchor Line. Ltd., *et al.*

*Hans Herman Kellermann*

4705

Messrs. Choate & Larocque, by Nelson Shipman, Esq.; for Norddeutscher Lloyd, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers, Esq., and Allan B. A. Bradley Esq.; for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq.; for the Russian East Asiatic Company., *et al.*

HANS HERMAN KELLERMANN, sworn on behalf of the defense testified as follows:

*Direct-examination by Mr. Beers:*

Q. Where do you reside Mr. Kellermann? A. 4706  
Montclair, New Jersey.

Q. Are you connected with the Cunard Company?  
A. Yes, sir.

Q. In what capacity? A. I am Manager of the  
Steerage Department, Third Class Department.

Q. In New York? A. New York.

Q. How long have you been connected with the Cunard Company? A. For about thirteen years.

Q. And in what capacity during that time? A. All the time as manager of the Third Class Department.

Q. How long have you been in the steamship business? A. About twenty-four years.

Q. And where? A. In New York, with the Allan 4707  
Line and Cunard Line.

Q. Did you state what lines, other than the Cunard, you have been connected with? A. Yes, the Allan Line.

Q. In what capacity were you connected with the Allan Line? A. Passenger manager.

Q. Where did the ships of the Allan Line Company run when you were connected with them? A. Between New York and Glasgow.

Q. Did those ships carry passengers? A. Oh, yes, all of them.



*Hans Herman Kellermann*

4708

Q. Please state whether your duties for the Cunard Line have had to do with examining the conditions of the third-class passenger service, and if so, state what your duties have been, and what you have done so far as concern steamships of the Cunard Company? A. Well, my duties as manager of the department are to follow the accommodations of the ship, the booking of the passengers, and to see that everything is in proper shape. I make it a rule to board ships every once in a while, and to go over their accommodations; and in the office my business is to book the passengers and see that they get their proper tickets, baggage tags and so forth, ready to go on the ship.

4709

Q. Do you meet the ships of the Cunard Company when they arrive? A. At times; not always, but most of the time.

Q. Do you go to the dock when the ships are leaving? A. Always.

Q. Are you familiar with the service of the Cunard Company at the present time so far as third-class passengers are concerned? A. Yes, sir.

Q. Please state whether you are familiar with the conditions of the third-class passenger service from New York to Europe, say, twenty years ago? A. Yes, sir. At that time I was with the Allan Line.

4710

Q. Did your duties then require you to make yourself familiar with those conditions? A. Yes, sir.

Q. Were you familiar with the third-class—were you familiar with the conditions of the service for third-class passengers on the Cunard ships about twenty years ago? A. No, sir, not directly but all lines have pretty nearly the same arrangement, and I am familiar with those of the other lines in a general way; also, of course, with those of the Cunard Line at that time.

Q. Can you state from your experience whether or not passenger lines have followed one another in re-

spect to improvements in the conditions of the third-class service? A. Yes, sir, more or less.

Q. Well, can you state that you are familiar with the conditions of third-class passenger service to New York, twenty years ago, in a general way, as to the ships of most of the lines? A. Yes, sir.

Q. Now, going back to the conditions of, say, twenty years ago, what were the arrangements of the passenger lines running to this port in respect to the sleeping accommodations for third-class passengers; please describe them fully? A. Well, about twenty years ago was when a signal improvement took place in all of the lines. Just previous to that steerage passengers were accommodated in big, open compartments, fitted with bunks, three or four tiers high, five or six berths wide so that in many cases people occupying the inner berth had to crawl over the outer berth to get into their bunks. And the bedding, and eating utensils had to be provided by the passenger himself at his own expense, 4712

Q. What do you mean by bedding? How much had the third-class passengers, say, twenty-three or twenty-four years ago to provide? Just back of the time when you say there was a decided change? A. They had to provide their bedding, mattress, pillow, and whatever covering they wanted, and their eating utensils, which at that time were generally tin cans and tin pots; knives and forks, such things, whatever they needed. 4713

Q. These bunks that you have referred to, as being used at that time—how many of them were there in a single compartment as a general thing? A. Why, that was different according to the size of the compartment but it runs all the way up to two or three hundred in a big compartment.

Q. At the time of which you are testifying who took charge of the bedding in the bunks? A. Why,

the passenger himself took charge of it. He brought it on board and took it from board, if he wanted it, or threw it overboard if he didn't want it. He had to care for it on the voyage, and in fact, it was all left in his charge. He had all to do with it.

Q. Do I understand you to testify that when these bunks were arranged several side by side, so that the person who had the inner bunk had to crawl over those on the outside? A. Yes.

Q. Describe the present arrangement as to sleeping accommodations in the better class of passenger ships running to this port, Mr. Kellermann? A. In the  
4715 better ships nowadays, the third-class accommodations are arranged into rooms containing two, four and six berths. The mattress, pillows, blankets, whatever necessary, are furnished by the company, free of charge, to the passenger, and in each room there is, besides a washstand, a can of water to wash in, water carafe, glasses.

Q. That is for drinking water? A. Yes. A towel and a settee; they can sit down on it when they are undressing or dressing, and each room can be locked; there is a key for each room and it can be locked to secure privacy. Besides this there is on the modern steamers a shower bath—

4716 Q. Confine your testimony, please, to sleeping accommodations for the present. A. Oh—

Q. Under the condition which now prevail, who takes care of these separate rooms to which you testified? • A. Stewards and stewardesses.

Q. Are stewards and stewardesses provided for the third-class passengers? A. Yes, sir.

Q. In any considerable number? A. Yes, large numbers.

Q. Were such stewards and stewardesses provided, if you know, say, twenty-three or twenty-four years ago? A. No, sir.

*Hans Herman Kellermann*

4717

Q. Who keeps these rooms clean and attends to them? A. The stewards' department.

Q. Is that the same general system which is pursued in the first and second cabin? A. Just the same, yes.

Q. Except that the furnishings are different? A. Yes.

Q. What bedding is furnished now on these steamers for the third-class passengers? A. A mattress, pillow, blankets. The mattresses are generally enclosed in ticking—heavy ticking, and the filling is excelsior or sea grass. Besides they have blankets, warm woolen blankets are furnished. 4718

Q. Will you state what system was pursued from twenty to twenty-three or twenty-four years ago, with respect to giving third-class passengers their food on the passenger ships, coming to this port? A. In those days the food was brought into each compartment by a steward, who called the passengers around him with their utensils, and he measured out whatever stuff they wanted from a big receptacle, a can, tin can or iron can, and dealt it out to each passenger, and had a basket or—yes, a big basket of bread and gave them a couple of slices of bread and let them go about their business, and after one was through the next was the same thing. 4719

Q. Did the steamship companies then furnish any utensils for the passenger too— A. No, sir; the passenger had to bring his own utensils.

Q. And do I understand that the passengers received this food in their own utensils? A. Yes, sir.

Q. Where could they then go to eat it? A. They had to go and sit down wherever they could; some sat down on their bunks, some on their trunks; different places; stairways; wherever they could find a place to sit down and eat.

*Hans Herman Kellermann*

4720

Q. Was there any cabin furnished to them to use as a dining room? A. No, sir. They had to eat it in the open compartment.

Q. In those days did the company keep the passengers' utensils clean? A. No, sir; each passenger had to keep his own clean.

Q. Please describe the present conditions prevailing in the better ships, running to this port, in connection with the meals for passengers? A. The better ships nowadays have big dining rooms fitted with long or smaller tables, and with revolving chairs. The tables are set by the stewards with—

4721

Q. The company's stewards? A. The company's stewards; and the passengers sit down at the tables and are served there by the company's stewards.

Q. So far as the arrangement of tables and chairs is concerned, that is the same arrangement that prevails in the first and second cabin? A. Practically the same.

Q. How are the cooking utensils provided at the present time? A. They are provided by the company; taken care of by the stewards' department.

Q. How are the meals served? A. Served by the steward at the tables.

4722 Q. Are the third-class passengers required in any way to work on those? A. No.

Q. No more than the first and second cabin? A. No, sir.

Q. Are any special arrangements made in the better class of passenger ships coming to this port for the comfort and amusement of the third-class passengers? A. Yes.

Q. Please describe then? A. They have, for instance, in the dining room a piano, which they use for concert and entertainment during the afternoon and evening when they are not using the dining room for eating purposes. They have smoking rooms for

the men and social rooms for the women folk, large open and closed promenade decks, with settees and benches along, where the passengers can either sit down or promenade as they desire. Besides that for the passenger's comfort are shower baths, hot and cold water baths, lavatories built according to the latest sanitary improvements, with running water. Some of them are fixed so that when the door opens the water flushes.

Q. In what respect do those arrangements as to lavatories differ from the arrangements as they existed, say, twenty-three or twenty-four years ago? A. In those days they had on the side of the ship a wooden box with three or four or five holes. In fact they had no privacy. 4724

Q. Do I understand that there are now separate and private toilet arrangements? A. Yes; the same as in buildings.

Q. Please state whether these third-class toilet arrangements now differ in any material respect from those furnished for first and second cabin? A. Only in the elaborateness of the fittings.

Q. But as to arrangement? A. But as to arrangement it is just the same. I may also mention there is a wash room where women with children on board, can go and wash the children's clothes whenever they want to. 4725

Q. Was there any such wash room twenty or twenty-five years ago? A. Oh, no, no, sir. There are also other wash rooms distributed around the ship where the passengers at any time during the day or night can go and clean themselves whenever they want to.

Q. Have you stated what deck space is now allowed for third-class passengers on the better ships, running to this port? A. As I stated before, there is open and closed deck space, and the deck is fitted with

*Hans Herman Kellermann*

4726

settees and benches so that the passengers can either sit down or promenade as they wish.

Q. The closed deck they use in bad weather? A. The closed deck they use in bad weather, yes, and the open deck in good weather.

Q. You have testified, as I understand, that there are smoking rooms for the men of third cabin? A. Yes.

Q. And what arrangements are there for the women? A. Social rooms for the women, where they can sit and sew, converse, read and write; whatever they feel like.

4727

Q. Do you know whether the third-class dining cabins of the Cunard ships are now extensively used for social purposes? A. In the afternoon and evening, yes. They get together to concerts and entertainments of various kinds in the dining saloon.

Q. Can you state what changes have been made in respect to the food furnished for third-class passengers, as between twenty years ago and the present time? In a general way, what changes? A. Yes, in a general way, I can state that twenty years ago passengers received, for instance, it was set out in the way I described before, and that settled it.

4728

Q. And do I understand that that was brought in some general receptacle and ladeled out to the passengers? A. Yes.

Q. Go on? A. Whereas, at the present time the passengers are served from the bill of fare. They can pick out whatever they want, two or three courses, be served in the cabin; the stewards ask them what they want, the same as in any ordinary restaurant, and it is brought to them by the steward.

Q. Have you at my request produced the bills of fare in the third cabin for one of the Cunard ships for a week during the past year? A. Yes, sir.

Q. Will you produce those bills of fare? A. Yes (producing).

Q. On what ship? A. On the Laconia.

Q. Were these bills of fare which you have produced actually used on the ship whose name appears at the head of the bill of fare? A. Yes.

Q. What ship is that? A. The Laconia.

Q. For what days—on what days were those various bills of fare used? A. On Sunday, January 21st, Monday, January 22nd, Tuesday, January 23rd, Wednesday, January 24th, Thursday, January 25th, Friday, January 26th, and Saturday, the 27th of January.

4730

Q. What year? A. 1912; also Monday, January 29th. They are printed in two different languages.

Q. One of these is printed in English, is it not? A. Yes, sir.

Q. In what language is the other printed? A. Swedish.

Q. Can you read Swedish? A. Yes, sir.

Q. Have you examined these bills of fare that you produce? Have you read them? A. Yes, sir.

Q. But do these bills of fare represent the food generally served to third-class passengers of the Cunard Company at the present time? A. Yes, sir.

Q. That is, are these typical bills of fare? A. These are typical, yes.

4731

Mr. Guiler: This is all objectionable, Mr. Beers.

Mr. Beers: You mean leading?

Mr. Guiler: No, I think the whole subject is objectionable. He has not made this trip and eaten the food and so forth.

Mr. Beers: I offer as model exhibits, bills of fare used in the third cabin of the Cunard Ship Laconia on Sunday, January 21, 1912—



4732

*Hans Herman Kellermann*

Mr. Guiler: These all are in under my objection.

Mr. Beers: I understand. Monday, January 22nd, 1912; Tuesday, January 23rd, 1912; Wednesday, January 24th, 1912; Thursday, January 25th, 1912; Friday, January 26th; Saturday, January 27th; Sunday, January 28th; and Monday, January 29th.

Marked Defendants' Exhibits 7 to 15 inclusive.

4733

Mr. Guiler: I want to object on the ground that the witness was not present when these bills of fare were used and does not know of his own knowledge that they were used.

Q. Did you obtain these bills of fare, Exhibits 7 to 15 at my request? A. Yes, sir.

Q. How did you get them? A. I asked the chief steward to bring up a set of bills of fare he used during the trip, and he sent these to me.

Q. Do you know where these bills of fare used on the third cabin of the Cunard ships are printed? A. On board the ship, by the ship's printer.

4734

Q. In the case of each of these bills of fare marked 7 to 15 do you produce a counterpart of the bill of fare for the same day printed in Swedish? A. There is one more of them than there are of the others. These do not give the date, simply the days; Monday, Tuesday and so on.

Q. Can you state from your own knowledge from what stores on board the Cunard ships the food is taken which is served in the third cabin? A. From general stores, where all the food is taken from.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. You were not familiar, were you Mr. Kellermann, with the Cunard Line boats of twenty years

ago, were you? A. No, sir; except in a general way.

Q. Except from information you received from others? A. Yes, sir.

Q. You did not go aboard the boats or anything of that sort, did you? A. No.

Q. To find out these facts to which you have been testifying? A. Occasionally I went on board a ship, not for any purpose of that kind.

Q. What you have been testifying to about twenty years ago is taken from your knowledge then of the Allan Line ships? A. Yes, sir.

Q. Now, in general were not the Allan Line ships inferior to the Cunard ships, even twenty years ago? A. No, sir.

4736

Q. They were not? A. No, sir; they were smaller, but they were not inferior in accommodations.

Q. Wasn't there less room for each passenger than there would be on the Cunard Line? A. No; they simply did not carry as many.

Q. Then your knowledge in regard to the Cunard Line is general, general information, that is, up to the time you became associated with the Cunard Line? A. Yes.

Q. Did you ever take a trip abroad in the steerage on the Allan Line to see what the conditions were there? A. No, sir.

4737

Q. Did you ever travel abroad in the Allan Line steamers? A. No, sir.

Q. To know the conditions there? A. No, sir.

Q. So these conditions that you are referring to now are what you have seen when the boat came into the dock? A. Yes, and when she left it.

Q. The various boats that came into the dock in New York? A. Yes, sir.

Q. And the same thing applies to the Cunard Line, does it? A. No, sir.

Q. You have travelled steerage in the Cunard Line?

A. No, I have not travelled in the steerage, but I have travelled on ships several times crossing over and had occasion to know the steerage accommodations.

Q. About how many times did you go down to the steerage while on board to know the condition of them?

A. About once or twice a day.

Q. When was that that you took the trip abroad, or your trips abroad? A. The first time was in 1904, the second time 1907 and I believe in 1908 or 1909; I am not quite sure about the last trips.

4739

Q. That is all the practical experience that you have had with the steerage passengers, is it not? A. No, sir. I handle them continuously with the ships coming in and out.

Q. You handle them when they leave here and when they arrive here? A. Yes.

Q. In New York? A. Yes.

Q. But as to conditions while they are on board and are outside the Port of New York, or the Port of Liverpool or Glasgow, or wherever they were, you have not handled them except as you have testified to? A. Yes, sir.

Q. On your trips abroad? A. Yes, that is right.

4740

Q. Can you tell me, Mr. Kellermann, what were the average rates for third-class passengers twenty years ago on the Allan Line? A. No, I am not in a position to say that without reference to the record.

Q. You couldn't say that? A. No.

Q. Do you remember any of the rates while you were in the service of the Allan Line? A. No, I do not.

Q. You could not say whether they are more or less than the rates at the present time for third-class passengers? A. No, sir; I do not recollect.

Q. Then your connection with the Cunard Line

dates from about 1899, does it not? A. 1899; yes, sir.

Q. Can you tell me whether the rates for third-class passengers differed from 1899 to the present time on the Cunard Line? A. They differed somewhat, but I could not tell you the exact difference.

Q. You could not tell me that? A. Not without reference—

Q. You have not followed that, have you? A. Not without reference to the record; no, sir.

Q. You cannot say whether they are more or less now than they were then? A. No, sir.

Q. But hasn't it been the general experience, Mr. Kellermann that where a line provides somewhat superior accommodations that the general public will be attracted to travel by that line? A. Yes, I should say it is natural.

4742

Q. And then you would say it would be an advantage to the steamship company to have such superior accommodations for the third-class passengers? A. Surely.

Q. And that the chances are that the company will be preferred beyond others? A. Yes.

Q. Providing all the rest being equal, of course? A. Yes.

Q. And sometimes even if the rates were higher they would prefer to travel on the boats provided with better accommodations rather than the ones that did not? A. That may be the case.

4743

Q. You have stated here that the facilities for third-class passengers with regard to cabin accommodations, meals, and so forth, are practically the same as the second cabin passengers; now, do you know whether the rates—

Mr. Beers: Has he so stated?

Mr. Guiler: I understood so. He said practically the same as the second-class.

4744

*Hans Herman Kellermann*

Mr. Beers: I asked Mr. Kellermann, as will appear by the testimony, as to certain particulars, whether the arrangement was the same, that is, the arrangement of tables and revolving chairs and those things.

Mr. Guiler: Didn't I say that?

Mr. Beers: No, I think not.

Q. (Question read.)

Mr. Bullock: You had better take out the word "practically."

4745

Mr. Guiler: No, I like that word. That is a good word.

Q. I understood you to say that, isn't that so? A. No.

Q. State what you meant? A. I meant the arrangement, the arrangement in a general way of rooms and dining rooms and so forth.

Q. And chairs? A. And chairs. But I did not want to intimate that that was the same as the second cabin.

Q. Did you mean they had as much comfort in the third cabin as they would have in the second cabin? A. No, sir; by no means.

4746

Q. How did the chairs and tables and existing accommodations in general compare with the second cabin? A. In the second cabin, for instance, there are upholstered chairs, some upholstered with leather and some with velvet or plush, and different style of a chair, and possibly more comfortable than the third class chair, which is either wooden or cane seated.

Q. All you meant then in regard to the accommodations was that the arrangement is much the same? A. Yes.

Q. Although the actual tables, chairs and so forth are not quite so fancy? A. Not at all.

Q. Isn't it a fact, that at times the third class rate has so approached the second-class rate that it became a serious question with the lines as to whether they would not increase the second-class rate because the third-class rate had been agreed to be increased? A. I am not qualified to answer that question; I don't know anything about the second cabin rates.

Q. You don't know whether the second cabin rates at one time or other for, we will say the last ten or fifteen years, approached so closely that they are almost equal? A. Not that I recollect, sir.

Q. You would not say that it did not occur? A. Yes—well, I prefer not to answer that question because I don't know from actual knowledge.

4748

Q. But, at any rate, you would not say that that did not occur? A. I could not say whether it occurred or did not occur when I don't know anything about it.

Q. You don't know? A. No, sir; I don't know.

Q. Has it been your experience, Mr. Kellermann, that the passengers of the third-class care much about whether they have bathing apparatus or not while they are on board the boat? A. Oh, yes; quite some people like their bathing arrangement.

Q. Have you inspected that part of it closely to know whether the third-class passengers in general take a bath or whether they do not? A. I have not, except from reports of the steward's department on board ship, and I may mention that the passengers at times make such reports to me in the office.

4749

Q. Then you are only speaking from reports and from isolated instances where a passenger had spoken to you? A. Yes, and through the reports of the steward.

Q. Your statement then, practically comes to this, Mr. Kellermann; that in the last twenty years there has been a general improvement in the third class accommodations for passengers, is that the idea? A. yes, sir.

4750

*Hans Herman Kellermann.*

Q. That about sums up in your experience your testimony here, does it? A. Yes, sir.

*RE-DIRECT EXAMINATION by Mr. Beers:*

Q. Mr. Kellermann, have you understood that questions I have asked you in reference to third-class passengers have related to the passengers who travelled on the cheapest possible basis to themselves? A. Yes, sir.

4751

Q. And that they are related to what is called steerage in some ships and in others the third cabin? A. Yes, sir.

Q. That has been your understanding, has it? A. Yes, sir.

Q. And does your testimony apply to those passengers while travelling in that cheapest way? A. Yes, sir.

*RE-CROSS EXAMINATION by Mr. Guiler:*

Q. Just one question I would like to ask you: You have testified, Mr. Kellermann, in regard to the food and meat and so forth, being supplied to these passengers from a large tureen? A. No, rather a bucket.

4752

Q. And I want to ask you whether the lines, the Allan Line and the Cunard Line, in your experience has furnished in the past years the passenger with wholesome or unwholesome food, or whether it was any more unwholesome served from the tureen as it is today? A. I don't know as I can answer that question, because I don't know. Even if I did know at that time I wouldn't know it now how unwholesome it was then.

Q. You don't know whether it was as wholesome then as it is now? A. No, sir; I couldn't tell you that.

*Hans Herman Kellermann*

4753

By Mr. Beers:

Q. Mr. Kellermann, Mr. Guiler has asked you in reference to food which years ago was served in these ships from tureens. Will you describe the receptacle from which the food was served to these cabin passengers, say, twenty or twenty-five years ago? A. Well, I can best describe it by calling it an ash can; it was exactly the shape of the present tin ash cans; a round receptacle.

By Mr. Guiler:

Q. That wasn't the same can that was used for ashes, was it? A. No; of course it wasn't. 4754

Q. It was solely used for food, isn't that so? A. It was solely used for food, yes.

Hearing adjourned to Wednesday, November 27th, 1912, at 11:00 o'clock A. M.

Last Petitioner's Exhibit 1916.

Last Defendants' Exhibit 15.

4755



SOUTHERN DISTRICT OF NEW YORK.

Before:  
Charles E.  
Pickett, Esq.,  
Examiner.

New York, November 27, 1912.

Hearing adjourned until Monday, December 2, 1912, at 11 o'clock A. M.

4758

## UNITED STATES DISTRICT COURT,

4759

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG - AMERICANISCHE  
 PACKETFAHRT - ACTIEN - GE-  
 SELLSCHAFT, and Others,  
 Defendants.

Before Charles E. Pickett, Esq., Examiner.

4760

New York, December 2nd, 1912.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise., Esq., Henry A. Guiler, Esq., for  
 the Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
 Charles C. Burlingham, Esq., and Charles Burling-  
 ham, for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
 Esq., for the Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
 for the Allan Line, *et al.*

4761

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
 Esq., and Allan B. A. Bradley, Esq., for the Cunard  
 Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
 Asiatic Company, *et al.*

ROBERT KERR, called on behalf of the defendants, testified as follows:

*Direct-examination by Mr. Spooner:*

Mr. Kerr, where do you reside? A. At the present I reside in Toronto, Canada.

Q. Can you state whether or not you have been some years connected with the Canadian Pacific Railway; if so in what capacity? A. Up to September 30, 1910, I was twenty-six years in the service of the Canadian Pacific Railway Company. The last eleven

4763

years as Passenger Traffic Manager of the system. Q. You still have certain affairs of theirs then within your supervision? A. Yes, look after certain things that they give me to do once in a while.

Q. So you are still connected with them? A. Yes, still connected—although retired from active service.

Q. When did the Canadian Pacific Railway go into the Atlantic Steamship business? A. 1903.

Q. To what extent did they go into it? A. In that year they purchased fifteen ships from the Elder Dempster Co.—their Atlantic fleet.

Q. It has, from time to time, added to its fleet on the Atlantic? A. Well, they have built two new ships, the Empress of Britain and the Empress of Ireland; two large and fine ships and they lost one and one they transferred over to the Pacific service. That is running on the Pacific between Vancouver and Yokahama and Hong Kong, so that today they still maintain a fleet of fifteen ships on the Atlantic.

4764

Q. What is the mileage of the Canadian Pacific Railway? A. Between eleven and twelve thousand miles. It is increasing all the time. It is hard to say at any moment how many miles they have got but they are close up to twelve thousand miles now. We will exceed that next year.

Q. Will you please state what lines they operate in the United States—I don't mean the railway companies they control by ownership of stock, which operate in the United States, but lines of railway operated by the Canadian Pacific in the United States? A. Well, there is about one hundred ninety-seven miles of road, chiefly little spurs, running into points in the United States. In Maine from the international boundary to Matteawamkeag, one hundred and forty-four and one-half miles, then from the international boundary to Houlton, three miles. I might say the first is the international boundary between Quebec and Maine. Houlton is in Maine and from the international boundary line between New Brunswick and Houlton, is three miles. Presque Isle from the international boundary line, between New Brunswick and Maine, the distance is twenty-nine and two-tenths miles. Then in Vermont, from the international boundary line between Vermont and Quebec to North Troy, seventy-two one hundredths, nearly three-quarters of a mile.

4766

Q. Seventy-two one hundredths of a mile? A. Seventy-two one-hundredths of a mile. The Richford Newport district, in Vermont, twenty-one miles. The whole mileage figures up one hundred and ninety-seven and seventy-nine one hundredths.

4767

Q. That comprises all of the railway operated within the territorial limits of the United States by the Canadian Pacific Railway? A. Direct, yes.

Q. The steamship department of the railroad company is entirely distinct from the railway? A. Yes, they are operated under separate management and by a separate staff although presided over, of course, by the vice president, who is in charge of all the traffic matters and a passenger traffic manager who has also charge of, but aside from that the steamship lines have

*Robert Kerr*

4768

their own officials, their own offices and officers to look after their business apart from the railroad.

Q. Are you able to give the proportionate steerage passengers travelling from the United States to Canada on the lines of railway operated by the Canadian Pacific Railway? A. Travelling, you mean settlers coming out of the United States into Canada?

Q. Yes? A. I have not got the figures here, sir.

4769

Q. Nor have you the proportion of Canadian Pacific Railway passengers travelling from the United States to Canada on lines of railway of their company—I don't know, but thought you gave such testimony? A. Well, I understood at the time, that it was the proportion of business to and from the Atlantic service—to and from the United States the proportion that were carried by the Canadian Pacific and the proportions that were allotted to other railway lines to carry.

4770

Q. That is, from the United States into Canada, through Canadian ports? A. Through Canada and from Canadian ports to the United States. The proportion of steerage passengers travelling from the United States to Canada or through Canada on lines of railway operated by the Canadian Pacific railway was eighty-five per cent and on other railways fifteen per cent.

Q. What port do the steamships of the Canadian Pacific Railway ply between. What Canadian ports and other ports? A. Montreal, Quebec, St. Johns, New Brunswick, Halifax, Nova Scotia.

Q. I am speaking now of the Atlantic? A. To Liverpool and London.

Q. Do the steamships of the Canadian Pacific Railway go into or sail from any port of the United States? A. No, sir.

Q. You are familiar with this contract between certain steamship companies, Atlantic Steamship Companies, the "AA" agreement? A. Yes, sir.

Q. The Canadian Pacific at one time was a member of that, party to that agreement? A. Yes.

Q. Do you remember about the time of that? A. Well, we acted with the conference in about 1904. Of course this so-called pool was not formed until 1908.

Q. Well, did you become a member of the pool—party to the pool? A. Yes, sir, in 1908.

Q. Eastbound and westbound? A. No, only east-bound. 4772

Q. Is your company in any way connected with it now? A. No, sir.

Q. Neither westbound nor eastbound? A. No, sir.

Q. Never was westbound? A. Never was.

Q. When did it cease to be a party to it—east-bound? A. March 1st, 1911.

Q. When was the notice given under which you withdrew? A. We gave notice on November 26th, 1910; we were bound to give three months' notice.

By Mr. Guiler:

Q. Have you a copy of that notice?

4773

Mr. Spooner: I think the notice was given in Europe.

Mr. Guiler: You have not got a copy of it here?

The Witness: I have got a copy but it is not signed.

Mr. Spooner: Have you a copy?

The Witness: I have not got it here. It is up at the hotel. It was sent to me as a copy by our European manager in London. It is a notice giving notice under Article 22.

Mr. Spooner: I understand that you did not require us to produce—you say 22, that relates to fighting ships, doesn't it?

*Robert Kerr*

4774

The Witness: That is true, yes. We gave notice of withdrawal from the pool November 26th, 1910, and it became effective on the 1st of March, 1911, and since which time we have not participated in any way in the pool.

Mr. Spooner: Well, you are in a position to state whether since March 1, 1911, you have participated at all in the agreement "AA."

The Witness: No, not at all in the pool.

Q. Neither carrying a proportion of its burdens nor participating in its benefits, if there were any?

A. No.

4775

Q. That you know? A. Yes, that I know by information, of course, given to me.

Q. From officials' accounts and all that? A. Yes.

Q. You had charge of the business in this country? A. Yes.

Q. Were you a party with the Canadian Pacific, a party to what is called the fighting ship agreement, commonly called the fighting ship arrangement? A. Yes.

Q. Did you furnish any ships? A. No.

Q. Under that agreement? A. We never furnished any fighting ships.

4776

Q. You never furnished any fighting ships? A. No.

Mr. Spooner: I offer in evidence circular letter: "Secretary's Office, Atlantic Conference, Jena, November 28th, 1910, G. No. 1066."

Marked Defendants' Exhibit 16.

Mr. Spooner: That is the notice that you referred to as having been given on the other side?

The Witness: Yes.

Mr. Spooner: That was to become effective February 28th, 1911?

The Witness: Yes. It terminated on that date. On March 1, we were all free.

Q. Is the fighting ship agreement considered to be covered by that word of "all subsidiary agreements"?

Mr. Guiler: I think so, yes.

The Witness: We gave notice of withdrawal on the 15th of June, 1910, participating in the fighting arrangement. "Competing" ship, I think they decided to call it and that notice became effective on the 15th of July, 1910.

Q. Since that time you have never participated?

A. Since that time we have never participated in the competing ship arrangement. 4778

Q. Was this action either in respect of the "AA" agreement or of the fighting ship agreement influenced at all by any acts of the government, do you know?

Mr. Guiler: I don't think that that ought to go in, Senator—let it go.

The Witness: In a way no. Of course, when we entered into that arrangement back in 1908 we knew we were not in any breach of any law of Canada, or Great Britain.

Mr. Guiler: I think he is not qualified to state that, Senator. 4779

Mr. Spooner: I think he is.

Mr. Guiler: He has not been shown to be an expert in the law in the United States or Great Britain. I think I will move to strike that question and answer out.

Mr. Spooner: Go ahead.

The Witness: We never dreamed that we would be in any breach of any law of the United States, not operating ships to and from ports in the United States in connection with this business.



*Robert Kerr*

4780

Mr. Guiler: I also move to strike that out.

The Witness (continuing): But when we found that the United States Government was not pleased over the arrangement, why that had an influence with us, of course, in cancelling this arrangement.

Mr. Spooner: I move to strike that out.

The Witness: Our other interests were too great to beat up against the United States Government on any of these questions. It is generally only necessary for us to know what they want for us to comply.

4781

Mr. Spooner: It is difficult somewhat, Mr. Guiler, to determine from the decisions just how far—I don't want you to think I am putting in something that I think is inadmissible, because I don't want to.

Mr. Guiler: I don't think this gentleman is qualified to talk about the laws of the United States or anywhere else. He is a passenger steamship man. Personally, I don't think his word will have much weight with the Court.

Mr. Spooner: Well, this is the moral question.

4782

Q. Now, Mr. Kerr, I wish you would state as fully as you can the method which is pursued when one sought to purchase in the Canadian Pacific, purchase a steamship ticket in the United States—railway ticket—for transportation on the Canadian Pacific in Montreal and Quebec? A. Take for example, Chicago, where we maintain a steamship and a railway office.

Q. Separate and distinct? A. The stands are separate but they are both in the same office.

Q. Yes. A. Same office room. A purchaser going in to buy third-class transportation from Chicago

to London, England, would be told what the total cost would be from Chicago to London, England. Then if he chose to pay over the total money, the railway ticket would be secured for him, reading from Chicago to Montreal. A steamship ticket would be given to him, sold to him there in the office, reading from Montreal to Liverpool, England, and an order for his railway trip from Liverpool to London, England.

Q. He would have three separate transportation tickets? A. Yes, sir.

Q. One by rail from Chicago to Montreal, direct, by steamship from Montreal to Liverpool and a contract with an English railway company for transportation by rail from Liverpool to London? A. Yes, sir. 4784

Q. By what road would he be sent from Chicago to Montreal, over what Canadian Line. In other words what liberty is given him as to the choice of the road by rail? A. If he expressed a desire to travel by the Grand Trunk, say, for instance, a Grand Trunk ticket would be obtained for him. If he did not express any choice, he would be given a ticket over the Wabash & Canadian Pacific—Wabash to Detroit, C. P. R. to Montreal.

Q. The Grand Trunk was independent of the Canadian Pacific? A. Absolutely. 4785

Q. Transportation by rail from Chicago to Detroit would be subject to the—would be under the advertised rates posted by the Interstate Commerce Commission? A. Yes, sir.

Q. Would the Canadian Pacific Railway Company have any interest in that? A. None.

Q. None whatever? A. None.

Q. Derive any advantage from it? A. None.

Q. No more than if the passenger had gone over the Grand Trunk? A. West of Detroit, none whatever.

*Robert Kerr*

4786

Q. I mean between Chicago and Detroit? A. None whatever.

Q. So it would be immaterial to the Canadian Pacific which way so far as dollars and cents were concerned? A. So far as earning or monetary results, yes.

Q. The passenger is left free to choose his way, by way of Montreal or Quebec? A. Yes, sir.

Q. Now, in Canada a passenger went over the Canadian Pacific Railway from Detroit? A. Detroit.

4787 Mr. Spooner: I want to introduce in evidence—take out, if you please, the parts of it that are immaterial.

Q. What is that (handing witness paper)? A. This is a copy of the Canadian Railway Act, entitled, "An Act respecting railways."

Mr. Guiler: Objected to as immaterial, incompetent and irrelevant.

Mr. Spooner: It is very much like our Interstate Commerce Act. It requires railway companies to publish their rates, prohibit them from reducing the rate except on notice, and so forth?

The Witness: Yes, sir.

4788 Q. Do you know whether this is the latest one? A. It was sent to me by Mr. Creelman, General Counsel of the Canadian Pacific. That I take to be the latest. Mr. Creelman would not send—

Mr. Guiler: Do you want very much of it?

Mr. Spooner: I don't want to encumber the record; we will pick out anything you want.

Mr. Guiler: You introduce the whole thing for identification.

Mr. Spooner: I will introduce it subject to the selection of such portions of it as we agree

to be material, or I will introduce it for identification and we will go over it in the meantime.

Marked Defendant's Exhibit No. 17, for identification.

Q. Then if the passenger goes either by the Wabash or by the Grand Trunk or any other railway to Detroit, the Canadian Pacific does not share in that?

A. No, sir, nothing.

Q. Directly or indirectly? A. No, sir.

Q. That was of no consequence? A. No, sir.

Q. The passenger takes the ship, your ship, under the steamship contract at Quebec or Montreal? A. Yes, sir, in the summer time.

Q. In the summer time, and in the winter time, where? A. St. Johns, New Brunswick or Halifax, Nova Scotia.

Q. That is because the ice is so you cannot get in?

A. You cannot get up the St. Lawrence Gulf.

Q. Now, you carry passengers from some foreign ports to Canada to a point in the United States; what is that? A. They, starting from Britain?

Q. Yes, start from Britain? A. Well, he is sold a ticket from Liverpool

Q. Sold a ticket from London or any place he starts from? A. Well, of course a railway ticket will be procured for him or he can get it himself. He is sold a steamship ticket from Liverpool which lands him, we will say, in Montreal. Then he has an order—then he is also given an order for the railway ticket from Montreal or Quebec. I may say the passengers are compelled to land at Quebec, owing to the Canadian Inspection Law. All third-class passengers are landed in Quebec and there they are examined and they pass through the same process you have out here at Ellis Island, precisely. They are then given their

tickets from Quebec—railway tickets—to whatever point in the United States or Canada they are bound for.

Q. Are they restrained in any way by the steamship company from selecting their own railway route from Quebec into the United States. If they want to go any particular way they can go? A. Oh, yes, if they express a desire.

Q. This order for the railway ticket leaves it open for them to choose the route? A. If they desire to go a particular way they are at liberty to do it. Usually the incoming passenger does not know which way he is going. He has got to be guided and taken care of and nursed, just as you do here, we do in Quebec.

Q. Did you give me—I don't remember that you did—a statement of the steerage people whom you carry, distributed in Canada—proportion of those that come to the United States bear to the whole—all those you bring over to Canada come in in Canada? A. Well, we bring in about fifty thousand steerage passengers.

Q. In a year? A. In a year, of which about twelve per cent go to the United States and the balance go to Canada.

4794

Q. Of course the rates charged by the Canadian Pacific over the routes which it operates—one hundred ninety-seven miles of railroad which it operates in the United States are subject to the—if this is intrastate, are subject to the intrastate rate. Of course the rate charged by the Canadian Pacific over the roads which they operate—one hundred ninety-seven miles of railroad which it operates in the United States and subject, if it is intrastate are subject to the intrastate rate? A. Yes.

Q. And if they are interstate they are subject to the Interstate Commerce rate? A. Yes.

Q. Which you are obliged to observe? Do observe? A. Which we do observe.

Q. And the rates that you charge for steerage and other passengers for transportation over your railroad in Canada are the rates fixed by the rate law of Canada, railroad law of Canada? A. Yes, Canadian Railway Commission.

Q. Canadian Railway Commission? A. Yes. Rates are made there precisely as they are made in the States. You make a rate and it is submitted to the commission. If they approve of it it comes into effect and cannot be changed within a certain time. Just the same as in the States. 4796

Q. And if you sell to a passenger a ticket over a railway, other than your own, you charge the rate required by the law? A. Yes, sir.

Q. And you make no money out of that? A. No.

Q. Will you give me the gross earnings on all kinds of traffic of the Atlantic steamships running to your country for the year, beginning February 1st, 1910, to January 31st, 1911, that includes the steerage, freight and the other classes of passengers? A. \$5,234,763.

Q. That is the gross? A. That is the gross. And the expenses? 4797

Q. Yes? A. The expenses of the steamships including insurance.

Q. For the same period? A. For the same period is \$4,523,921 leaving a net of \$711,842.

Q. What percentage is that net on the money invested in the steamship business? A. About seven per cent.

Q. Does that include any tax for depreciation? A. No, sir.

Q. What is the charge for depreciation? A. About four per cent.

*Robert Kerr*

4798

Q. That leaves three per cent profit, does it? A. Yes, sir.

Q. What do you estimate, expert estimate, to be the life of a ship? A. About twenty years, not exceeding twenty years.

Q. Not exceeding twenty years? A. No, sir, in that time she becomes obsolete if she is not used up absolutely by reason of changes and economies effected in the construction. The old ship you cannot put her against a new ship and make any money on it.

4799

Q. Then you reckon twenty years as being the useful life of a ship? A. Yes, sir.

Q. Not simply from wear and tear, but the progress from year to year in improvement? A. Yes, all of those conditions put together.

4800

Q. You have agencies for the sale of your tickets throughout the country, do you or do you not? A. We have regular established steamship offices in Chicago, Minneapolis, St. Louis, Cincinnati, Seattle, San Francisco, New York, Boston, and, of course, we have sub-agencies all over, that sell for us. They may sell a ticket by our line and a ticket by any other line—what is known as the general steamship agent. He will sell for a variety of lines. Then most of the railway agents have got steamship tickets or have machinery for selling them—either have them or have an order for them on all the railways.

Q. Is that true of all the steamship companies? A. Yes, sir, of course, our offices in New York and Boston are not there for the purpose of booking third-class passengers. We don't get any third-class passengers to go to Montreal and cross the ocean, they go on ships from here. Sometimes we do pick up here a first-class passenger. The machinery is there if they want to come that way.

*Robert Kerr*

4801

Q. Then that doesn't apply to steerage class? A. It does not apply to steerage passengers. I don't suppose we get a steerage passenger from along the Atlantic Coast. It would not be natural. When we go out west, we do business there in competition with others.

Q. Is the Canadian Northern a competitor of the Canadian Pacific? A. Yes, sir.

Mr. Guiler: I object to that question as to form and as to substance. I don't think it ought to have gone in in that way. That is a conclusion.

4802

Mr. Spooner: Not a conclusion—a man connected with a railroad is apt to know who his competitors are.

Q. Is there such a railroad in Canada as the Canadian Northern? A. Yes, sir.

Q. Where does it begin and where does it end if you know? A. The Canadian Northern is in the process of construction. It is in pieces at present and not connected up. They operate in Quebec as the Canadian Northern Quebec Railway. In Ontario the Canadian Northern Ontario Railway, in the Canadian Northwest they operate as the Canadian Northern Railway—in British Columbia, I think they operate as the Canadian Northern British Columbia Railway, or some other name. That is to distinguish the different parts. They are being connected up and eventually will be one transcontinental system.

4803

Q. Has the Canadian Northern Railroad any competitors? A. Have they any competitors?

Mr. Guiler: Objected to as immaterial, incompetent and irrelevant, and as calling for a conclusion, and ask to have it stricken out.



*Robert Kerr*

4804

Q. Yes? A. Oh, yes. You are speaking of the railway?

Q. Yes? A. Well they have competitors, the Canadian Pacific, the Grand Trunk—Grand Trunk Pacific are competitors. In some respects the Great Northern Railway in the United States is the competitor and the Northern Pacific Railway in some respects also.

Q. What sort of a business is it now doing, class of business, everything it can? A. Oh, yes, they equip and operate sections as they complete them.

4805

Q. Any line of steamships on the Atlantic or in connection with the Canadian Northern so far as it is completed? A. Yes, they have got a steamship line which they call the Royal Line.

Q. Where do the ships run? A. Bristol, England, to Canadian ports, Montreal, Quebec and Halifax.

Q. Do you know whether or not the Uranium Line is run in connection with the business of the Canadian Northern?

Mr. Guiler: I object to that and ask to have it stricken out.

4806

The Witness: Well, I could not state of my own knowledge further than this, that the Uranium Line does bring passengers from the Continent of Europe, Rotterdam, and I suppose other ports, and they call at Halifax, land passengers bound for Canada, go on to New York, and land passengers bound for the United States.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. The Royal Line which you spoke of as being in connection with the Canadian Northern is a member of the Conference, is it not, North Atlantic Conference? A. It was, I presume it is yet.

Q. You know it was, however? A. Yes, is was

Q. Do you remember the name of the agreement—it was agreement "CC"?

Mr. Spooner: The defendants renew their objection to any evidence of any agreement other than agreement AA, as irrelevant, incompetent and immaterial, not within the issues.

A. I think it was agreement "CC," yes.

Q. That is it there, Exhibit 719, that is the agreement making the Royal Line a member of the Conference; that is right, is it not? A. Yes, sir. 4808

Q. And under that agreement the Royal Line got from the other lines, a member of the Conference, a certain percentage of the North Atlantic business, did it not? A. Well, I am personally not familiar with the details of the Royal Line's business.

Q. Well, the agreement is here? A. Yes, whatever it stated in the agreement is correct. I would accept it as such.

Q. But as far as your knowledge goes up to the present time the Royal Line which you have secured as a connection of the Canadian Northern is a member of the Atlantic Conference? A. Yes, so far as I know. 4809

Q. Now, your line, that is the Canadian Pacific Steamship Company, isn't that what they call it? A. The Canadian Pacific Railways Atlantic Steamship Line.

Q. Well, the Canadian Pacific? A. Atlantic Steamship Service.

Q. The Atlantic Steamship Service of the Canadian Pacific Railway Company participated then in the payment for the so-called fighting steamers, did they not, up to the time you designated as the withdrawal from that agreement? A. Yes, July 15, 1910.

*Robert Kerr*

4810

Q. Up to that time it joined with the others in making payments reimbursing the so-called fighting ships for the expenses which they theretofore had been at in reducing their rates? A. Yes, sir.

Q. And that expense sometimes went almost to \$12 on a particular route, the difference between thirty and eighteen dollars under Minute 22? A. Well, I am not clear on that.

Q. At any time did you take part in carrying out that minute? A. Oh, yes.

4811

Q. Minute 22 dealt with the so-called fighting steamers and that was directed, was it not, against the competition of the Russian East Asiatic, New York and Continental Line and the Russian Volunteer Fleet, was it not? A. Yes, it was in protection of business of the Conference Lines against these lines mentioned.

Q. And under Minute 22 the rates could be the same or lower, could they not, than the opposing steamers? A. As a matter of fact, I don't think they were ever lower.

Q. I am asking what they could be? A. I presume so, yes, sir.

Mr. Spooner: Is not that calling for an opinion?

4812

Mr. Guiler: No, I think not.

Q. At any rate the representatives of your line, Mr. Cameron and Mr. Dring, took part in the meeting of November 28, held at the Savoy Hotel, in London, which passed Minute 22 for the action of the fighting steamers? A. If they are on the record as being present there, of course, they were present.

Q. Do you remember their going over there? A. They were resident. At that time Mr. Allen Cameron was the general traffic agent of the company in London, and Dr. Dring was one of his assistants.

Q. And did you receive any notice or notification of either one of those gentlemen that the minute had

been adopted by the Canadian Pacific Company? A. We would get a report from Mr. Cameron.

Q. And that minute also in which your steamship line took part provided for a certain small committee, did it not, in New York, to take measures in opposition to the outside lines? A. I understand so, but I don't know.

Q. And you have already testified that your line did not put any steamer on in opposition of other steamers, outside lines? A. Yes, sir.

Q. But you did participate in the payments? A. Yes, sir.

Q. And you were acquainted with the fact that there was a small committee in New York which was taking charge of that matter? A. Yes, sir, we were acquainted with that.

Q. And as you said, took part in that while it lasted? A. Yes, sir.

Q. The agreement of 1904, by which the Canadian Pacific became a party to certain pooling arrangements with other lines, was Agreement "J," was it not, as you remember it? A. Yes, sir.

Q. And that was an agreement between the Canadian Pacific Railway Company and the so-called N. D. L. V., was it not? A. Yes, sir.

Q. Which was based on the Hamburg-American Line, the North German Lloyd, the Holland-American Line and the Red Star? A. Yes, sir.

Q. The N. D. L. V. having been formed in 1892, under a certain pooling arrangement? A. Yes, sir.

Q. Now, under this Agreement "J," the Canadian Pacific Railway Company was not permitted to carry any continental passengers other than Scandinavian and Finnish passengers; is that right? A. Well, we were not permitted to carry other than Scandinavian and Finnish passengers on our Liverpool ships.

Q. That is, in other words, ships sailing from ports— A. We sailed a ship from Antwerp direct

*Robert Kerr*

4816

and all continental passengers under that agreement were carried from Antwerp. Ships sailing from Liverpool carried Finnish and Scandinavian passengers.

Q. But were not allowed to carry Continental passengers? A. No, sir.

4817

Q. Do you remember this clause being in the agreement, that the company or companies should exercise all possible care to prevent any contravention of this clause and should the continental companies at any time require it, the company agreed to report to the rest of the continental line vessels to satisfy itself that there had been no contravention of this clause. Is that correct? A. Yes, sir.

Q. And in this agreement the share of the Canadian Pacific Railroad Company was stated to be as follows (Mr. Guiler reads): "The continental lines agree to deliver to the companys' steamships at Antwerp in each year during the continuance of this agreement, not less than 5,429 of the total immigrant business secured for carriage by the continental lines, it being understood that the immigrants so delivered to the company will include a fair average of adults." Is that correct? A. Yes, sir.

4818

Q. That is, the so-called N. D. L. V. Lines shared the continental traffic with the Canadian Pacific Railroad Company Steamship Line from Antwerp? A. Yes, sir.

Q. And furthermore, the Canadian Pacific Railroad Company was permitted, was it not, to still continue in its offices and agencies in Canada and the United States, to book passengers from the continent, yet it was not permitted, was it, to charge lower rate than the charge by the various lines which I have mentioned? A. You understand that is purely a west-bound agreement into Canada and the United States. Of course, we did not require any permission from anybody to maintain our offices in the United States

and Canada, other than from the respective governments of those two countries.

Mr. Guiler: I did not ask that; I think you will see that it comes down to this particular point as charge a lower rate than the various continental lines for tickets from continental points westbound, which had been sold in your offices in the United States and Canada? A. There would be an understanding as to what rates these tickets which—I understand you mean prepaid tickets—that would be bought in the United States, would be sold at by our line and the various other lines.

4820

Mr. Spooner: This was prior to 1908.

Mr. Guiler: This was the 1904 agreement which I understand existed up to the time in suit.

Mr. Spooner: Well, you are not suing on that. We renew our objection.

Mr. Guiler: We have gone into that so much, Senator—you have said that there was such an agreement.

The Witness: Yes, sir.

By Mr. Guiler:

Q. And also that the company should not pay any larger commissions on such passengers than were paid on the continental lines? A. Yes, sir, there was also an understanding as to what commissions should be paid to agents selling tickets.

4821

Q. Now, how long did that agreement exist, Mr. Kerr? A. That agreement exists, as amended, today.

Q. Today? A. Today, but expires on December 31—this present month.

Q. And it may be renewed and it may not? A. Well, I don't think it will be renewed.

Q. But you don't know just now whether it will be or not? A. No.

4822

*Robert Kerr*

Q. Now, that agreement which I have spoken of there, referred to third-class passengers entirely, did it not? A. Yes, sir.

Q. I mean those particular clauses of the agreement that referred to third-class passengers? A. That agreement was of third-class passengers.

Q. Now, I show you Clause 13 of this agreement, and ask you whether it did not apply also, to first and second-class passengers?

Mr. Beers: Is the question regarding third-class passengers, under 1904 agreement?

4823

Mr. Guiler: Yes.

Mr. Beers: Is not that a long ways?

Mr. Guiler: Not very far, comparatively.

The Witness: Yes, but our ships carried no first-class passengers. They may have carried an odd second-class passenger, but nothing to speak of.

Q. I ask you whether that agreement applied to first-class passengers, if they did happen to be carried?

A. Yes; it speaks for itself.

Mr. Spooner: Speaks for itself, doesn't it?

The Witness: Yes.

Q. That agreement was subsequently joined by the French Line. The French Line subsequently entered that agreement with a certain percentage lower? A. I think so.

4824

Mr. Spooner: I move to strike out the portion of the cross-examination which relates to the agreement of 1904, as not proper cross-examination, as incompetent; and as not within the issues made by the pleadings.

Mr. Guiler: It has been shown, Senator, that that exists today, that agreement.

The Witness: Of course, that agreement has been supplemented by Agreement J2, that amends in some respects.

*Robert Kerr*

4825

Mr. Spooner: Well, I move to strike this out.

By Mr. Guiler:

Q. Did your company, Mr. Kerr, have any arrangement with the Western Passenger Association and the Central Passenger Association, with respect to certain commercial allowance of ten per cent on tickets which you sold over the roads of the Western and Central Passenger Association?

Mr. Spooner: Objected to as not proper cross-examination.

4826

Mr. Guiler: Are you going to object right along on these things,—you went into the railroad end of it, Senator, and interrogated all about it.

By Mr. Guiler:

Q. Will you answer that question? A. Yes.

Q. And the Canadian Pacific Steamship Company or whatever it is termed, received from the Central Passenger Association, along with other roads, a commercial allowance for tickets sold in the territory of the Central Passenger Association? A. Yes, sir.

Q. You were personally present, were you not, at the meeting of the steamship lines in conference, Trans-Atlantic Steamship office, 19 Broadway, at which an arrangement was made for the payment of that? A. I did attend a great many of those meetings and if I am on the record, I was there.

4827

Q. Do you remember whether you attended that meeting or not? A. I did if I am on the record there.

Q. I will show you the record and ask you if that refreshes your memory? A. Oh, yes.

Q. That was February 25, 1909, wasn't it? A. Yes, sir.



*Robert Kerr*

4828

Mr. Spooner: What volume is that?

Mr. Guiler: Volume 1.

By Mr. Guiler:

Q. And you personally also were present when the arrangement with the passenger—Central Passenger Association was made, were you not? A. Yes, sir.

Q. And you were one of the signers of the notice to complete that arrangement? A. Yes, sir.

Q. Which was done by the exchange of two letters—is that right? A. Yes, sir.

4829 Q. Approximately December 3, 1908, and December 1st, 1908 (Exhibit 46)? A. Yes, sir.

Q. Now, in that respect then, Mr. Kerr, the Canadian Pacific Railroad Company had an arrangement with the other lines and with the railroads in that portion of the United States covered by the Central Passenger Association and Western Passenger Association for the commercial allowance at ten and five per cent for all tickets which it sold over the territory, over those lines? A. Yes, sir.

Q. And does that arrangement exist today? A. I understand it does.

Q. It has been continued until the present time? A. Well, I have not followed it since I—

4830 Q. So far as you know it has been? A. Yes, sir.

Q. So that it is interested to that extent in certain transportation of passengers in the United States; is that right? A. Oh, yes.

Q. And receives regularly and has received up to the time you know about—has received that ten per cent? A. Yes.

Q. From the railroad lines? A. Yes.

Q. It is your experience, Mr. Kerr, is it not, that the passenger from Europe—the steerage passenger—hardly, if ever, asks or questions the route over which he is going, to various points in the United States? A. Only a very small proportion of them know.

Q. Has not it been your experience that he hardly ever knows the line on which he is travelling or the ship on which he is transferred? A. Yes, sometimes he does not even know the name of the ship he comes on.

Q. All he does is to take the prepaid ticket which you have mentioned and travel on that? A. Yes, he is guided onto the ship and from the ship and he is guided onto the train. He is guided to his final destination. The route he does not know. That is speaking generally; the immigrant—

Q. Does the railroad order which is sold—take the case of a purchaser on this side in the United States, or in Canada, purchasing a railroad order to a point in the United States from some continental point, does the railroad designate over which line he shall travel? A. Well, the order for the railway ticket might simply be drawn on the Canadian Pacific Railway Company, without designating.

4832

Q. Generally is, is it not? A. Yes, if the purchaser of a prepaid order in the United States sending for a friend in Europe did designate the route that he wanted that passenger carried on from Quebec to his final designation, it would be done.

Q. But as a general rule there is no designation? A. No, sir.

4833

Q. And the passenger follows the line directed by the railroad company? A. Yes, sir.

Q. You mention that there were 50,000 steerage passengers who came over every year on your steamship line? A. That is about the run of the business, taking one year with another.

Q. You would say, would you not, then, that the great majority of those passengers do not designate the route over which they should travel? A. Yes, sir.

4834

*Robert Kerr*

Q. And follow the road which is laid out for them by the railroad or by the steamship line? A. Yes, sir.

Recess until 2 P. M.

---

Afternoon session.

ROBERT KERR, recalled:

4835 *Cross-examination continued by Mr. Guiler:*

Q. Now, Mr. Kerr, these agents which you have mentioned that you have all through the United States and various states of the United States, and of Canada, are constantly booking passengers for points in the United States, that is, within the Western Passenger Association, and the Central Passenger Association? A. Yes, selling prepaid.

Q. And are they in other districts—you have agencies in other districts, have you not? A. Oh, yes, we have agencies everywhere, but the Central-Western and the Trans-Continental practically covers the whole United States that we can direct or control.

4836 Q. And you have your agents in Boston, New York, booking passengers for various points in the United States by selling prepaid tickets, do they not? A. Well, as I explained this morning, it is a negligible quantity there. Third-class passengers don't go over to Montreal to cross the Atlantic, neither do they come.

Q. You spoke about twelve per cent coming to the United States? A. I said of the total passengers that we carried in that we averaged about 50,000 a year of third-class passengers that were brought westbound, that about twelve per cent on that went into the

*Robert Kerr*

4837

United States and the balance went into Canada, eighty-eight per cent.

Q. But those twelve per cent are booked by your agents at various points in the United States? A. Yes.

Q. And subsequently come to the United States on those tickets that you sell? A. Yes.

Mr. Spooner: You are speaking now of prepaid?

Mr. Guiler: Yes.

Mr. Spooner: Do you mean 50,000 prepaid?

The Witness: No, the total amount of third-class runs about that. 4838

Mr. Spooner: Do you mean to ask him what proportion are prepaid?

By Mr. Guiler:

Q. What proportion are prepaid? A. I cannot tell.

Q. You lumped them altogether and found that twelve per cent of 50,000 come to the United States? A. Yes.

Q. That you say is a rough estimate that the majority of them are prepaid passengers? A. Well, a large part, at least. Perhaps a majority.

Q. That has been your experience, hasn't it? A. Yes, sir. 4839

Q. That a larger number are prepaid, or not? A. Well, I am not very clear on that, but of course, there are a large number of them that are prepaid, and the balance, whatever it is, is cash.

Q. I am not holding you down to that, Mr. Kerr? A. I just, of course, I don't want to make a statement that I don't feel—

Q. Then put it this way, that a substantial number are prepaid of the twelve per cent? A. Yes.

4840

*Robert Kerr*

Q. Now, your line was a signer of that agreement marked CC, with the Royal Line, was it not?

Mr. Spooner: I object, that is not proper cross-examination, and immaterial and incompetent.

The Witness: If we are on the records as signers, of course, we signed them.

4841

Q. I will show you Exhibit No. 719, and ask you whether that refreshes your memory as to whether you are—whether you made an agreement with the Canadian Northern Railroad Company, which controlled the railroad company? A. Yes.

By Mr. Guiler:

Q. The Royal Line there made an agreement with the various conference lines, did it not, Mr. Kerr? A. I understand so.

Q. And in that agreement there was given to the Royal Line on all the entire eastbound steerage traffic between the United States and Canada and Europe, a percentage of 1.15? A. That is right here on the record.

4842

Q. Except for the Italians and Orientals; that did not include Italians and Orientals? A. No, they came from the Mediterranean.

Q. I ask you whether the sailings of the Royal Line were under Article III of that agreement, to be not more than twenty-six—not less than twenty-one or more than twenty-six—during the year? A. Yes.

Q. Now, under Section 5, the Royal Line was to compensate the conference for any passengers carried beyond its share, by four, paragraph four? A. Yes.

Q. And this compensation, under Section VII, was to deter the parties, the Royal Line, from overreaching that percentage, was it not?

Mr. Spooner: I object to that; it is not cross-examination.

*Robert Kerr*

4843

Mr. Guiler: It is in the agreement.

Mr. Spooner: What if it is in the agreement? I did not examine him as to the agreement.

Mr. Guiler: You examined him as to a number of papers which he said he did not have.

Mr. Spooner: I did not examine him with reference to any paper except the AA Agreement. I move to strike it out. It is not proper cross-examination. It is incompetent, and it is calling upon a witness to construe a written agreement which is in evidence. It is without the issues made by the pleadings.

4844

The Witness: Going back to Article III, as the Royal Line consists of only two steamers, the Royal George and Royal Edward, I don't see how they could make more than twenty-six sailings in a year, if they tried.

Mr. Guiler: That may be so, I ask as to Section VII. I will withdraw the question.

Q. Outside of that agreement which I have showed you, Agreement CC, Mr. Kerr, has the Canadian Pacific and the Canadian Northern Line got any other subsidiary agreement or otherwise?

4845

Mr. Spooner: I object to it. It is not proper cross-examination and I don't think you have any right to inquire as to the agreements except those set out in your bill.

The Witness: I don't know, therefore, I cannot say.

Q. Now, Mr. Kerr, you are acquainted with Rule 9 of the conference, are you not, which is to the effect that agents shall not act for lines outside of the conference lines; you are acquainted with that rule, you remember that there was such a rule? A. Yes, sir.

4846

*Robert Kerr*

Mr. Spooner: Did he say he did?

Mr. Guiler: He did.

Q. Now, during the time—you are also acquainted, are you not, with the fact that there was a so-called rate war or fight between the various conference lines and the Italian lines, is that right? A. Well, I was not interested in it, and only knew of it in a general way.

Q. You knew that there was such a thing happened? A. I know there were difficulties.

4847

Q. And did you receive any instructions from, or did you give any instructions, that Rule 9 should be strictly enforced in that fight with the Italian lines?

A. The only instructions that I know of is that—

Q. That is, you carried out Rule 9, is that the idea? A. Oh, yes.

Q. In every respect? A. Yes.

Q. As against agents? A. But we never did—we never did discipline an agent, not in my time.

Q. Do you remember whether you reported any agents for discipline? A. No.

Mr. Spooner: Do you mean that you don't remember or that you don't know?

4848

The Witness: We did not during my time. I never knew of such a thing happening.

Q. Now, I show you a letter of Mr. Peters', marked Exhibit 2176, circular letter No. 68, in which the letter from the Canadian Pacific is mentioned, Canadian Pacific to Secretary Peters, and ask you whether a statement in there by your line, which reads, "I would mention that our agents in Canada and United States are entirely under the control of our Montreal people. I have therefore cabled to our friends there advising them of a proposal to deal with agents giving continental traffic to the Italian and other outside lines and suggested that they take whatever concerted action is decided upon, through the medium of the New

*Robert Kerr*

4849

York Conference,"—is that statement there correct, that you did control your agents absolutely? A. Well, of course, any agents we had we controlled, naturally, as employees.

Q. That is, you controlled them in respect to the matter of the Italian lines, competition with the Italian lines, didn't you? A. We practically had little or no competition with the Italian lines,—that is, the Mediterranean.

Q. I am asking whether that statement there is true, that you had absolute control of your agents? A. We control our own agents, but, of course, we do not absolutely control agents who sell steamship tickets on commission.

4850

Q. What do you mean by that? A. Agents all over the country.

Mr. Spooner: That is in general, those who sell for other lines?

The Witness: One man in a town may sell for all the lines.

Q. You mean all the conference lines? A. Yes—gets his two dollars for selling a ticket.

Q. That statement as regards agents in United States and Canada, that is true? A. Our own agents.

Mr. Spooner: But you didn't need Rule 9 to control your agents?

4851

The Witness: Oh, no.

Q. And you did in May, 1905, when this was written? A. Oh, yes, we always controlled our own agents.

Mr. Spooner: You didn't let your own agents control you? A. No.

Q. Mr. Kerr, I was talking about Italian competition? A. Being employees, we controlled them.

Q. Then you did not experience any of the trouble of your agents acting for the Northwest Transport Company or other outside lines? A. No.



*Robert Kerr*

4852

Q. So that you did not have to put into effect Rule 9 in regard to the Northwest Transport Company and the Italian lines? A. As I say, that during my time I believe that we never disciplined any of the agents, never found occasion to do it.

4853

Q. Now, were you ever approached, your Canadian Pacific Railroad or the Canadian Pacific Steamship Company, ever approached in regard to disallowing a commission to the Northwest Transport Company by the various conferences or by any member of the conference lines? A. I don't think we were. For the business brought in by the Northwest Transport Line, subsequently the Uranium Line, we, the Canadian Pacific, always paid them.

Q. Always paid them? A. Yes.

Q. I did not ask that, quite. I asked whether you were approached by any member of the conference lines or any representative thereof to have you approach the Grand Trunk Line and see if you could not get them to disallow commissions? A. Yes, there was some dissatisfaction between the Grand Trunk and Intercolonial on that subject.

Q. And you were asked to go to the Grand Trunk and see if you could not get them to disallow it also?

Mr. Spooner: Those were not conference lines?

4854

The Witness: No, sir.

Q. Were you approached by any member of the conference lines or any representatives thereof to have you approach the Grand Trunk Line and see if you could not get them to disallow commission? A. I don't remember that we were, but we did have a difference as between ourselves. The Grand Trunk Railway and Intercolonial. It was subsequently settled on this side.

Q. I show you Exhibit 1336, Peters' letter 469, and ask you whether the statement in there refreshes your memory as to whether that was so or not? A. Well, I was going to indulge in a little history.

Q. If you would answer that question first we may be able to go into the history.

Mr. Spooner: If you cannot answer it by yes or no, answer it in your own way.

Q. I don't ask for yes or no, I don't want to confine him to yes or no? A. I say that the question really arose on this side. In the natural and reasonable order of the competition that existed between the Canadian Pacific and the Intercolonial and Grand Trunk, from Halifax, Nova Scotia, in fighting for and trying to secure the business of this steamship line, the Northwest Transport Company and subsequently the Uranium Line—before that they called themselves the New York and Continental—they were always changing—the Grand Trunk accused us.

4856

Q. How often did they change? A. I think they first appeared on the scene as the New York and Continental, then the Northwest Transport Company, and subsequently the Uranium Steamship Company. Well, the Grand Trunk accused us of paying commissions and we accused them of paying commissions.

Q. You did pay commissions? A. Yes, of course, we did, so did they.

Q. You were asked to discontinue the payment of commissions to the Northwest Transport Company by some one representing the conference lines? A. No, it was the Grand Trunk. I don't know what happened in England, but I am trying to—

4857

Q. I will read this letter; it is headed, "Commission Northwest Transport Line, by Canadian Railways," and reads, "As stated in your letter of the 8th of May to me, you are quite correct in your understanding that last year the Canadian Pacific, out of deference to the conference lines, opened negotiations in Montreal with the Grand Trunk in an endeavor to reach an agreement with that company not to pay

*Robert Kerr*

4858

commission." Now, that refreshes your recollection to show that you were taking up this matter because in some way you had been approached by the conference lines. Is that not so? A. No, sir.

4859

Q. Then you don't agree with this letter of Mr. Peters? A. Well, from Mr. Peters' point of view, he was right, but I am right. First of all the Canadian Pacific Railway Company, the Intercolonial and the Grand Trunk Railway forming a line from Halifax, against the Canadian Pacific Railway, who have their own trains into Halifax, were seeking and competing for this business from the Northwest Transport Company. That was the railway company. The conference lines, the steamship company took ground that the railway company should not pay any commissions for receiving this business. Well, of course, we occupied that dual capacity—we were a conference line and we were a railway. The railway wanted this business. Consequently the railway did pay commissions—so did the other fellow—and the Canadian Pacific got a portion of the business and the others got a portion of the business. Now, the conference lines, in their struggle with the Uranium Line, as being a disturber—

4860

Q. At that time the Northwest Transport Company? A. Yes, wanted us—the railroad company—to use our power as a railroad company to aid them. Of course, we were looking for the business for the railway company and we did not go in. These people had some correspondence over on the other side. No doubt they were honest in what they said there. The truth is that both parties paid commissions and got the business.

Q. You then, as a railroad company, refused to give up the payment of commissions to the Northwest Transport Company, as requested by the conference, of which you, as a steamship company, were a mem-

*Robert Kerr*

4861

ber? A. Yes, if we sacrificed our railway the other fellow would simply carry the business and the railway would get no revenue. That was lost because it was on that ship and was being carried in. Therefore, it was up to the railway. That milk was spilt and gone. We stopped crying about that and started in and tried to see what we could do for our railway business.

Q. Now, Mr. Kerr, you stated, I think, in your direct-examination that the law of England and Canada—that such agreements as that AA Agreement, and that other kinds were legal in England and Canada. I want to know whether you have ever made a study of the law of England in Canada? A. No, but I have been advised by our legal officers.

4862

Mr. Spooner: Mr. Creelman?

The Witness: Yes.

Q. Then what you state in regard to the law of England and Canada is not from information that you, yourself, have looked up in the study of actual cases? A. No, we rely on the law officers to give us legal information.

Q. When you say the law of England and Canada allow such agreements as AA, then you are stating what someone else has told you? A. Yes, sir.

Q. And not from first-hand information received by yourself from the actual cases involved? A. No.

4863

*RE-DIRECT EXAMINATION by Mr. Spooner:*

Q. What about those commercial allowances—explain that? A. Well, I presume you have reference to the commercial allowance allowed by the Central Passenger Association and the Western Passenger Association to the steamship lines for handling the steamship business.

4864

*Robert Kerr*

Q. Explain that theory of it? A. The conference lines, they undertake to control the agents, guide them, instruct them, and they take all the work and the worry and so on off the shoulders of the railway people and they manage the business and the railway companies allow them ten per cent off their revenue to reimburse them for the labor, worry, and all that sort of thing that is involved and that was—

Mr. Spooner: How long has that been in vogue between the railway companies and the ocean carriers?

A. Under correction, I would say about 1909. Perhaps you have the record there.

4865

Mr. Guiler: Yes, it is 1909; I have got the record here. It is 1909.

Mr. Spooner: Not longer than that?

The Witness: No.

Q. I didn't speak of this particular affair but I meant a similar allowance—is that the first of the commercial allowances? A. That is the first, as far as I remember.

Mr. Guiler: That is on passenger business?

The Witness: Yes, anything else we did not care anything about.

4866

Q. Do you know who is building the Canadian Northern, I don't mean shoveling the dirt and building the bridges, but who are the parties who are constructing it?

Mr. Guiler: That is not cross-examination.

Q. I ask— A. Certain financiers, McKenzie and Mann, and their associates.

Q. They are not the contractors for the physical construction of the railroad? A. No, one is president and the other is vice president; Sir William McKenzie is president and Sir Donald Mann is vice president.

Q. Are they men reputed to be of great wealth? A. Yes, they are supposed to be wealthy.

Q. Do you know whether or not they are large owners of the stock? A. That I don't know.

Q. Or whether or not they are reputed to be—

Mr. Guiler: He says he does not know.

The Witness: Well, they are understood to be. Rumor of the street; it may be worth something or it may be worth nothing.

Q. Are either or both of them, as far as you know, interested in the Uranium Line?

Mr. Guiler: I object to that, Senator, for the reason that he said this morning that he did not know anything about that on direct-examination. My recollection is perfect on that.

4868

Mr. Shipman: He said Canadian Northern.

Mr. Guiler: No, he said Uranium. He was interrogated in regard to the Uranium Line.

Q. I ask you whether either is largely interested or both in the Uranium Line or generally supposed to be? A. Well, it is understood on the street, common rumor and report, that they are interested personally in the Uranium Line.

Mr. Guiler: I object to that answer. I move to strike it out.

4869

Q. I would like to ask you this question, whether while your company has been a member of the Conference Agreement AA there has or has not existed competition between the lines, members of the conference? A. Always.

Q. With respect to service and passengers? A. Always.

Q. Has it or has it not been active competition? A. Active competition.

Mr. Guiler: I object to these questions and ask that they be stricken out.

4870

*Robert Kerr*

A. (Continuing): We have never ceased struggling.

Q. And this competition has been not only to get business but to transact it? A. Yes.

Q. Competition in service as well as for business?

A. Yes, always building better steamships, as everybody knows, much better service, doing more.

Q. You have never been engaged in the steamship business alone? A. No, sir, I am primarily a railroad traffic man. Of course, the steamship business came to me when we acquired our Atlantic service.

4871

Q. When did the Canadian Pacific go into the steamship business on the Atlantic? A. 1903. They purchased fifteen steamers from the Elder-Dempster Company.

*RE-CROSS EXAMINATION by Mr. Guiler:*

Q. Now, Mr. Kerr, the extra labor you have mentioned in regard to issuing tickets and so forth is no greater to issue a railroad ticket in conjunction with a steamship ticket, is it? A. No.

4872

Q. What did you mean by saying that the ten per cent is paid to you in consideration of this? A. I mean the extra work of handling the business by these gentlemen done in the conference room here, and Lawson Sandford, secretary of the conference lines. He under the direction of the conference lines, managed the business and he had a good deal more labor thrown upon him, and I presume they had too. Then there were various general agents out in the country who had supervision of the districts. General agents, each of the lines, would have general agents in Chicago. Each one of these general agents has supervision over the district. In handling the business naturally it led to increased labor and increased work.

*Robert Kerr*

4873

Q. You sell a ticket, do you not, from some point in Europe to Halifax or wherever your lines call, and your line, the Canadian Pacific, is a connecting carrier, you might say, after that steamship line is through?

A. Yes.

Q. Carry direct from the railroad? A. But it is the controlling force.

Q. What is the controlling force? A. Well, these gentlemen who meet decide on doing certain things, issue certain instructions.

Q. What do you mean, Mr. Kerr? A. I mean, the conference men, representatives of the conference lines.

4874

Q. You mean that those gentlemen decide that they will receive a commission of ten per cent from the Western Passenger Association? A. Those gentlemen did not receive it, but their companies did.

Q. Those gentlemen meet and decide that? A. It was in organizing and handling the business.

Q. There is no greater work than turning over a passenger from a steamship line to a railroad line which connects with it? A. Probably it was in connection with securing the business eastbound out of the United States.

Q. But your agents secure business for the steamship lines; can you figure out any extra work? Suppose that business has been secured in selling a railroad ticket along with it? A. Not for that agent, but, for instance, if you are sitting here in New York, and you have a great extensive country covered with a variety of agents, travelling agents and so on, you quite readily find your labors very much increased by increased correspondence and work and labor of one kind or another—perhaps have to employ more men. It is the case of organization. It is a case of what you might call a controlling force.

4875



*Robert Kerr*

4876

Q. But that controlling force is there as the agent of the steamship line, is it not, in the first place, first instance? A. All the steamship lines.

Q. Primarily agents of the steamship lines? A. Yes.

Q. And all the extra work that is connected with it is just adding on the railroad order? A. Well, you are working on one end and I am working on the other. As I understand, you are claiming that there is no extra work to a man who sells the ticket way out there in the interior of the country.

4877

Q. That is true? A. Probably not. But there is more work to these people who organize to control this business, so to state, and take the work off the railroads.

Mr. Spooner: Is this allowance on eastbound business or westbound business?

The Witness: Eastbound business, gathering it up.

Q. Now, having controlled the business, do you do anything except turn it over to the railroad company? A. No, the railroads turn it over to the steamship lines, the steamship lines secure the business and put it on the railroads. The railroad carries it to the Atlantic port, and there the man is put on the steamship line.

4878

Q. You don't do anything more than turn it over to the railroad company, do you? A. The railroad company turns it over to us.

Q. But the man in the first instance? A. They get the ticket and they put the man on the railroad train.

Q. That is, you control the business, is that the idea? A. Yes.

Q. And turn it over to the railroad? A. Yes.

Q. And get your ten per cent? A. Yes. Now, in making that statement, of course, the Canadian Pacific Railway being a railroad company and also a steamship company, the steamships are participating in the payment of these commercial allowances and their rail-

way was paying its share of that commercial allowance. Now, if the business passed over to the Canadian Pacific Railway Company on to the Cunard Line or the Hambury-American or any other line here in New York they would pay into the conference lines and the business would be divided up, therefore, what we paid we paid our share out to the other fellows.

Q. You mean the conference lines? A. To the conference lines, and the conference lines in turn paid us whatever was coming to us on the deal—either way. We were all in it together.

Q. That was a matter of agreement, was it not? A. Yes, sir. You have the document there showing those letters.

4880

Q. Now, in regard to the Canadian Northern, it is only rumor, is it not, on the street, as far as your knowledge goes, that McKenzie and Mann control the company? A. That is all. Of course, I do know, as a matter of fact, that Sir William McKenzie is the president and Sir Donald Mann is the vice president.

Q. You do not know of your own knowledge that McKenzie and Mann own any stock or in any way control the Uranium Company? A. No, it was only just rumor.

Q. Rumor? A. Just street rumor.

Q. You have never talked with McKenzie on the subject? A. I have never talked with Sir William McKenzie on that subject at all.

4881

Q. You spoke about certain competition between members of the conference lines; now, under the Agreement AA and agreements similar to that and subsequent thereto, the conference lines had a certain percentage, had they not, which was allowed to them? A. Yes, sir.

Q. Percentage of the business? A. Yes, sir.

Q. And when they went beyond that they had to pay four pounds compensation? A. Yes, sir.

1627

*Robert Kerr*

4882

Q. And if they got less than that they were compensated by the conference? A. Yes, sir.

Q. That was called compensation, was it not, in those agreements? A. Yes, sir.

Mr. Spooner: You are getting pretty near the danger line, my friend.

Q. While AA was going on your line lived up to that agreement, did it not, until the time you said, when they withdrew and carried it out? A. Yes, sir.

Mr. Spooner: Did the steamship companies aid in looking after the agents of the railway companies? A. Yes, sir.

Mr. Spooner: Did they guarantee them in any way?

The Witness: They undertook to control and manage the steamship business in the interior of the country, out in the west, all through.

Q. This allowance was really for services rendered? A. That was it, as I understood it. It took the load off the railroad man.

Q. Steamship agents doing business in a way for the railroad company? A. Yes.

Q. They would be obliged to employ agents if they did not do it? A. Yes.

Q. If a steamship agent defaulted with his funds belonging to the railroad company the steamship company had to stand for it? A. Well, I don't know that that was enumerated in the bond.

Q. Was it the practice? A. I don't think so. So far as my own experience goes, I never had a case of that kind.

Q. But they did the business? A. They did the business, yes, sir.

Hearing adjourned to Wednesday, December 4, 1912, at 11 o'clock A. M.

## UNITED STATES DISTRICT COURT,

4885

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG - AMERIKANISCHE  
 PACKETFAHRT-ACTIEN-GESELL-  
 SCHAFT, and others,  
 Defendants.

Before: Charles E. Pickett, Esq.

4886

New York, December 4, 1912.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
 the Petitioner.

Messrs. Burlingham, Montgomery & Beecher;  
 by Charles Burlingham and Charles C. Burlingham,  
 Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larcoque; by Nelson Shipman,  
 Esq.; for Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton; by J. C. Spooner, Esq.;  
 for the Allan Line, *et al.*

4887

Messrs. Lord, Day & Lord; by Lucius H. Beers,  
 Esq., and Allan B. A. Bradley, Esq.; for the Cunard  
 Line, *et al.*

Ralph J. M. Bullowa, Esq.; by Walter Rogers  
 Deuel, Esq.; for the Russian East Asiatic Company,  
*et al.*

4888

Robert Kerr

ROBERT KERR, recalled:

*Direct-examination continued by Mr. Spooner:*

Mr. Spooner: I will offer in evidence a map of the Canadian Pacific Railway, entitled, "The World's Greatest Highway."

Marked Defendants' Exhibit No. 18A.

Mr. Guiler: I understand, Senator, that that is not to be printed.

Mr. Spooner: I won't insist upon its being printed, I simply want to show the lines of the Canadian Pacific in the United States.

4889

Mr. Guiler: I would rather you would have it printed.

Mr. Spooner: He testified that the Canadian Pacific operates in the United States one hundred and ninety-seven miles of railroad.

Mr. Guiler: You had better describe it fully, Mr. Kerr, for the purposes of the record.

4890

The Witness (examining map): Lines in the United States controlled and operated by the Canadian Pacific Company are as follows: First, international boundary line between Quebec and Maine to Matteawamkeag, 144.5 miles. There is the international boundary line there (indicating). You see it is called boundary there, just inside the Maine line—it is called boundary line. I think the first station in Maine is Lowellton. From the boundary to Matteawamkeag is the 144.5 miles referred to.

Mr. Spooner: That is through Maine?

Mr. Guiler: Is Matteawamkeag in Maine?

The Witness: Yes. Now, from Matteawamkeag to Vanceboro on the boundary line between Maine and New Brunswick, is owned by the Maine Central road and trackage is leased by the Canadian Pacific.

Q. That is, you have a traffic agreement? A. No, a lease of track whereby we run our trains over this line.

Q. That is what I meant. A. Then from Vanceboro from and across the line, of course, it is the Canadian Pacific's own line. During the winter, when the St. Lawrence River is closed some ships come in at Halifax there (indicating on map), for which we run our own cars over the Intercolonial road up to St. Johns, New Brunswick, and then on up right through Maine up to Montreal.

Q. Then this road in Maine is utilized during the winter when the St. Lawrence Gulf is not navigable in carrying your passengers, steerage and others, through Maine and the United States to Montreal? A. Yes.

4892

Q. And that is true of all passengers destined by the steamship line and landed here, destined to Canada? A. In winter all passengers using the Canadian Pacific trains have to go up through Maine and the Canadian Pacific Railway to Montreal, if they are going there.

Q. Now, do you deliver steerage passengers in Maine during the winter while you are obliged to go around there? A. No, sir, unless an odd one happens to be ticketed, and then, of course, he would be handled by the United States Immigration Department. I might say that the United States Immigration Department look after matters to see that none of the immigrants leave the train in passing through Maine. There is no such thing as escape. An odd man might be ticketed to Matteawankeag, Maine; he might be going there. He is then passed by the officers here; we have a staff of American officers at our ports who perform the same duties exactly as at Ellis Island.

4893

Q. As to those coming into the United States; in the summer you don't utilize this for the transporta-

4894

tion of immigrants? A. Unless an odd steamer might drop into Halifax; such things have been known.

Q. Is that extraordinary, infrequent? A. Sometimes German ships come into Halifax too, for instance—it is usually business for Canada. A German ship running from the continent to New York, if she had a lot of passengers for Canada, she would drop in at Halifax and put them off, you see, and then go on to New York.

Q. What do you mean by a German ship? A. Well, the Hamburg-American Company, for instance, delivered passengers in that way.

4895

Q. What has the Canadian Pacific to do with that, except to transport them over the rails? A. That is all.

Q. Then as to the steerage brought over by your own ships destined to Canada are delivered, except when the St. Lawrence is locked with ice and not navigable,—are delivered at Quebec? A. Yes, all immigrants must be landed at Quebec just the same as all immigrants coming in here must be landed at Ellis Island.

Q. That is the law, is it? A. That is the law.

Mr. Spooner: Do you want me to prove that that is the law?

4896

Mr. Guiler: I don't know that he knows that that is the law, I don't want to put you to unnecessary trouble.

Mr. Spooner: I do not wish to prove it by him.

Mr. Guiler: If he knows that that is a fact, let it go.

The Witness: Yes, that is the fact.

Mr. Spooner: He has been charged with the execution of that act as far as the steamship is concerned.

Mr. Guiler: You know, that they must land at these places at the particular seasons mentioned?

The Witness: Yes, sir.

Q. Now, point out the other lines that make up one hundred and ninety-seven miles in the United States? A. Then we have a spur to Houlton here (indicating on map), in Maine. There is the boundary line there between Maine and New Brunswick (indicating on map), a distance of three miles from the boundary line to Houlton in Maine, shown there (indicating on map)

Mr. Spooner: You delivered steerage there to Houlton? A. If an odd man was ticketed to Houlton he would be carried up there.

4898

Mr. Guiler: If he was going there he would go there?

The Witness: He would be properly transferred up there to Houlton.

Q. Do you know of any going there? A. No. It is a fair assumption in all these years an odd man did want to come into Maine and did come into Maine. Now comes Presque Isle. From the international boundary line between New Brunswick and Maine is a distance of 29.2 miles. Fort Fairfield seems to be the first station, just across the line in Maine. Then we get up to the international boundary line to North Troy, .72 of a mile.

4899

Q. Presque Isle—does steerage traffic utilize that? A. No, sir, an odd man may be ticketed up there, but the business is all going out here (indicating on map), I mean out west, in the United States and Canada. It is an extension from one of these lines here (indicating on map), to North Troy, in Vermont, just to get the track into the little village for the accommodation of people.

Mr. Guiler: From where is that an extension?

The Witness: From the international line from Quebec in Vermont, to North Troy.



*Robert Kerr*

4900

Mr. Guiler: Where is North Troy?

The Witness: There (indicating on map). That little line is so small that it is not shown there. It is just a little spur into the town. Then the next is Richford and Newport districts—twenty-one miles in Vermont. The line starts at Abercorn on the International line and crosses into Vermont at Richford, and then goes back again into Quebec and returns again into Vermont at Highwater, down to Newport, Vermont. You see it forms a letter S. It comes down from the boundary line and then back again. That is a distance of twenty-one miles.

4901

Q. These lines to which you have testified and which you have pointed out on the map are, or are they not the only lines or railroad owned and operated by the Canadian Pacific in the United States? A. They are the only lines owned and operated direct by the Canadian Pacific in the United States. These are the lines that we operate there.

Q. Now, you have no line, therefore, running from Chicago to Canada? A. No, sir.

Q. If a ticket—steerage ticket—is sold in Chicago by way of the Canadian Pacific Steamship Line to Liverpool, the transportation of that passenger in the United States is entirely by a railway of the United States, is it not? A. Yes, sir.

4902

Q. And the only rail transportation, all the rail transportation which is involved in getting that passenger to the steamship, which is done directly or indirectly by the Canadian Pacific, is done in Canada? A. A ticket would be supplied to a purchaser in Chicago. The Wabash Railway is a direct connection of the Canadian Pacific Railway, being, of course, an entirely separate and independent railroad itself. It forms a connection by which passengers from the Canadian Pacific Railway to and from Detroit would pass if they were going to and from Chicago, there-

fore, a ticket would be obtained of the Wabash, issued by the Wabash Company and handed to the passenger entitling him to transportation over the Wabash Railway from Chicago to Detroit, and from Detroit to Montreal over the Canadian Pacific Railway. The rates at which those tickets would be issued would be the published rates sanctioned by the Interstate Commission—those rates would not be deviated from—and the proportion that each company would obtain would be such proportion as had been usual to divide upon—agreed upon—agreed proportion. That is also sanctioned by the Interstate Commission.

Q. The coupon which carries the passenger over a railroad in Canada to the port from which he is to sail is a Canadian Railway ticket or coupon? A. From Detroit to Montreal or Quebec.

4904

Q. If an order for a railroad ticket is sold to a steerage passenger on the other side by way of the Canadian Pacific Steamship Line in Chicago, how would it be? A. An order drawn on the Canadian Pacific Railway, from, we will say, England, for a ticket from Chicago to England.

Q. Well, sir, from Quebec to Montreal or Chicago. I am going from Liverpool now to Chicago? A. Well, the ticket or order would be presented at Quebec if it had a route designated upon it.

4905

Q. Suppose it did not? A. Then it would go over the Canadian Pacific Railroad. The passenger would be sent over the Canadian Pacific Railway from Quebec to Detroit and over the Wabash from Detroit to Chicago.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. The Canadian Pacific then, Mr. Kerr, has what we might call a passenger traffic arrangement with the Wabash Railroad for the transfer of its passengers to the Canadian Pacific Railway? A. Yes, sir.

*Robert Kerr*

4906

Q. And the Wabash then act, in a certain measure, as a feeder on the Canadian Pacific Railway? A. Yes, sir, they are the direct connection with the Canadian Railway.

Q. Is that term "feeder" the term of the railroad? A. Yes, just as many other roads exchange passengers with the Canadian Pacific Railway.

Mr. Spooner: It is a connection.

Mr. Guiler: I think it supplied—in that sense it supplied passengers.

4907

Mr. Spooner: They all do. I know all about the connection business—the "feeder" business—I was in that business myself for sixteen years. A feeder railroad don't mean anything, it is simply a connecting railroad.

Q. Now, when the passenger comes into the steamship office in Chicago, he wants a through ticket, doesn't he, from Chicago—say, to London? A. Yes.

Q. And he applies to the Canadian Pacific at Chicago for that ticket, does he not? A. Yes. He applies for the through ticket—through from Chicago to London.

4908

Q. And the agent of the Canadian Pacific Railway supplies him with that through transportation? A. Yes, if he desires to travel by the Wabash Railroad, and the Canadian Pacific Railway; and if he expresses a desire to go by some other railway, say the Grand Trunk, the agent would go out and get him a ticket, if he wished to go by the Grand Trunk.

Q. But if he simply asks for transportation over the Canadian Pacific, then he is supplied with tickets over the Wabash and the Canadian Pacific and with a steamship ticket to London? A. Yes, sir.

Q. Immediately? A. Well, he is supplied with a steamship ticket to Liverpool and with an order—what we call a forwarding order—an order on the

railway in Liverpool to supply him with a railway ticket from Liverpool to London.

Mr. Spooner: Which he is to pay in the United States?

The Witness: Yes.

Q. What form does the ticket from the Wabash to the Canadian Pacific take? A. First it is the usual railway ticket in two coupons, Wabash contract, Wabash issue coupon, reading from Chicago to Detroit over the Wabash road, the other coupons reading from Detroit to Montreal by the Canadian Pacific. That finishes that. Then when he gets on board the ship the steamship contract begins.

4910

Q. Your agent does not—I want to get this clear—your agent issues that ticket on the spot, does he, without going to the office of the Wabash Railroad? A. He may have some of the Wabash issue or he may have to send out for it.

Q. I understood you to say that the ticket was in the form of an attached—that is, the ticket was an entire ticket with coupons which could be torn off—a coupon ticket covering the whole road? A. No, a coupon railway ticket, covering the road from Chicago to Montreal. Then a steamship ticket from Montreal to Liverpool, and then a forwarding order from Liverpool to London. The first is a railway ticket.

4911

Q. How far does that carry him? A. Montreal.

Q. Including the Wabash transportation? A. Yes, and it is the Wabash issue of ticket.

Q. Issued by your agent? A. Issued through our agent, yes. He would either send out for it and get it to save you trouble if you were the purchaser or if you desired to go out and purchase your own ticket you might do so.

Q. As a matter of fact under the arrangement which you have mentioned with the Wabash Railroad

*Robert Kerr*

4912

your agent has authority to issue these tickets and issues a through ticket. A. If he is supplied with a supply of Wabash tickets by the Wabash road, yes, that would authorize him to issue them. As a general rule initial roads prefer to issue their own tickets in their own offices. We are not an initial road in Chicago.

Q. I am assuming that he is going to the Canadian Pacific office—he can get it right there? A. Yes, sir.

Q. Over the route to Montreal? A. Yes, sir.

4913 Q. And as a general rule, does get it there? A. Yes, sir.

Q. If he asks for it and has got the money and can pay for it? A. Yes, sir.

Mr. Spooner: In selling that ticket you sell the Wabash part of it as the agent of the Wabash Company?

The Witness: Yes, sir.

Mr. Guiler: That is a question of law, Senator.

Mr. Spooner: It seems to be a question of law a hundred years ago.

4914 Mr. Guiler: No, it is a question of law. I am trying to get the facts to show just what is done there.

Mr. Spooner: I want the whole facts.

Mr. Guiler: I do, too.

Q. You have agencies in London, have you not, for the selling of your tickets? A. Yes, sir.

Q. And also for the sale of through tickets over the Canadian Pacific to Chicago? A. Yes, sir.

Q. Now, the form of that ticket is similar to the other ticket is it not? A. Yes, sir.

Q. It is issued first of all in the form of a railroad ticket from London to Liverpool? A. Our vessels sail from Liverpool.

Q. Then you sell one ticket with various coupons on it—you sell a through ticket to Chicago, do you not, from London? A. No, sir.

Q. What do you do—first of all—tell me just the form it takes? A. First the railway ticket from London to Liverpool—we will say the London & North-western Railroad; then comes the steamship ticket, a separate and distinct contract from Liverpool to Quebec, then a railway ticket.

Q. That is, an order isn't it? A. Well he brings an order and he is supplied with a railway ticket.

Q. Well, the railway order is attached to the steamship ticket? A. In many cases they issue the railway ticket in London.

4916

Q. As a general rule, it is a railway ticket? A. For steerage. I believe it to be an order for a railway ticket—it is a forwarding order.

Q. It is a forwarding order to Chicago which would be honored by the Canadian Pacific and the Wabash Railway when presented? A. When presented at Quebec to the agent of the Canadian Pacific Railway, he would supply the ordinary coupon ticket right from Quebec to Chicago over the Canadian Pacific Railway to Detroit, thence over the Wabash from Detroit to Chicago.

4917

Q. Now Chicago is in what passenger association? Western Passenger Association, isn't it? A. Well, yes, in a way that is—

Q. Or is it in the Central Passenger Association? A. No, I think the line is drawn there. Everything west of Chicago to the eastern boundaries of the Pacific coast states is the Western Passenger Association. East of Chicago down to the Niagara River and through there is the Central Passenger Association.

Q. Do you know whether Chicago is in the western or central? A. If the business is coming east it

*Robert Kerr*

4918

would come from or through the central territory. If it is going west it would go through the western passenger territory.

Q. Assuming that the passenger is coming east, you would receive from the Central Passenger Association the ten per cent commission or commercial allowance which you might have spoken of the other day, would you not. That is, the Canadian Pacific would receive that, the Canadian Steamship Company? A. If the business went over the Canadian Pacific Steamship Company, yes, sir.

4919 Q. They would receive a commercial allowance of ten per cent? A. Yes, sir.

Q. That being based on the cost of transportation from Chicago to the Seaboard—is that right? A. Yes, there are maximum limits—\$1.50.

Q. This is beyond the maximum limit? A. No, I don't say yes to that.

Q. Well, to obviate that, assume that it comes from a point in the Western Passenger Association's territory, as far west as you can get—now you would receive that ten per cent would you not—commercial allowance, based on railroad fare? A. Yes, sir, with a limit of seventy-five cents per ticket.

4920 Q. And that applies to the transportation from any point in the Western or Central Passenger Association? A. Anything that goes over Central or Western Passenger Association.

Q. You spoke of the Hamburg-American Line bringing over certain passengers to the United States and disembarking them at Halifax through Maine.

Mr. Beers: Did you say the Hamburg-American—what line did you say?

Mr. Guiler: Hamburg-American Line.

Q. You honored the Hamburg-American Line rail orders over the Canadian Pacific the same as you

would any other Conference Lines? A. Yes, sir, I may say the Hamburg-American Line has now a regular service into Montreal in the summer time and consequently I don't think they now do land any ships at Halifax.

Q. Wherever they did land, you honored their railway orders? A. Yes.

Q. Glad to get them? A. Yes.

Q. Now you have arrangements have you not with other lines besides the Wabash Railroad for the carriage of passengers in the United States—passenger traffic arrangements? A. Certainly we will take passengers from any line, as any line will take from us.

4922

Q. That is if a man wants to go to San Francisco, say, by way of Chicago over your line from Montreal to Detroit, Chicago and San Francisco, you will sell him that ticket? A. We will ticket him right through to San Francisco by any line he wishes to go by.

Q. Those are under the same joint traffic arrangements with those I have mentioned? A. Yes, given to all railroads in the United States and Canada to interchange.

Q. Now you mentioned that certain immigration officers were at the port of Montreal and Quebec; I think you have said American Immigration officers; what do they do, American Immigration officers? Are they employed by the United States and stationed at Montreal and Quebec? A. Yes, sir, St. Johns, and Halifax in the winter.

4923

Q. Do they examine the baggage of passengers at these points? A. Yes, sir.

Mr. Spooner: You don't mean "all" passengers.

Mr. Guiler: Passengers destined to the United States.



*Robert Kerr*

4924

The Witness: All passengers coming in on the ships are examined by the United States officers and the Canadian officers.

Mr. Spooner: At the boundary line they examined them.

Mr. Guiler: I was coming to that.

Q. Now, after they are examined is the baggage of those various passengers examined also there at Halifax and those various places you have mentioned?  
A. Yes, sir.

4925

Q. After that are they permitted to go through to, say, Chicago, or other points in the United States without any further examination? A. Yes, sir, they cannot proceed until they have received their passport.

Q. So they are given their passport which admits them to the United States? A. Yes, sir.

Q. And they are not further troubled by the customs officers at the boundary line? A. Not if they have got their baggage passed by the American customs officers who are in Quebec and Montreal and at Toronto and various points in Canada, just as we have Canadian officers for the accommodation of the public at various points like in Chicago.

4926

Q. By what authority—if you know of it—do the United States officers examine the baggage in a foreign country?

Mr. Spooner: Comity?

The Witness: Comity.

Q. You don't know any specific act or law which permits the United States to do that? A. The Canadian Government permit and sanction the American officers to perform their duties at the Canadian ports in order to facilitate and to assist and make easy for the passengers to pass through Canada and on to the United States.

Q. It is to obviate the examination at the boundary—is that right? A. Yes, sir.

Q. So that the passenger may proceed straight through to his destination? A. Yes, sir. Now, the United States allows Canadian Customs officers to perform their functions in the United States.

Q. Is the medical examination made by a medical officer at the ports in Canada which you have mentioned? A. Yes, sir.

Hearing adjourned to Friday afternoon at two o'clock, December 6, 1912.

4928

---

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELL-  
SCHAFT, and others,  
Defendants.

4929

Before Chares E. Pickett, Esq., Examiner.

New York, December 6, 1912.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
the Petitioner.

4930 Messrs. Burlingham, Montgomery & Beecher, by Charles C. Burlingham, Esq., and Charles Burlingham, Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman, Esq., for the Norddeutscher Lloyd, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers, Esq., and Allan B. A. Bradley, Esq., for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East Asiatic Company, *et al.*

Upon the statement by Mr. Spooner that he would be unable to proceed at this hearing, and by direction of the Special Examiner an adjournment was taken  
4931 until Tuesday, December 10, 1912, at 11 o'clock A. M.

---

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

	THE UNITED STATES OF AMERICA,	}
	Petitioner,	
	against	
4932	HAMBURG - AMERIKANISCHE PACKETFAHRT-ACTIEN-GESELL- SCHAFT, and others,	
	Defendants.	

---

Before Charles E. Pickett, Esq., Examiner.

New York, December 10th, 1912.

Upon consent hearing adjourned until Monday,  
December 23rd, 1912, at 11:00 o'clock A. M.

## UNITED STATES DISTRICT COURT,

4933

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG - AMERIKANISCHE  
 PACKETFAHRT-ACTIEN-GESELL-  
 SCHAFT, and others,  
 Defendants.

Before Charles E. Pickett, Esq., Examiner.

4934

New York, December 23rd, 1912.

At the request of Messrs. Spooner & Cotton, the  
 hearing was adjourned until Thursday, January 9th,  
 1913, at 11:00 o'clock A. M.

4935

4936

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELL-  
SCHAFT, and others,  
Defendants.

4937

Before Charles E. Pickett, Esq., Examiner.

New York, January 8, 1913.

At the request of Messrs. Lord, Day & Lord, the  
hearing was adjourned until Friday, January 10,  
1913, at 11 o'clock A. M.

4938

## UNITED STATES DISTRICT COURT,

4939

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG - AMERIKANISCHE  
 PACKETFAHRT-ACTIEN-GESELL-  
 SCHAFT, and others,  
 Defendants.

Before Charles E. Pickett, Esq., Examiner.

4940

New York, January 10th, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
 the Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
 Norman B. Beecher, Esq., and Charles Burling-  
 ham, Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
 Esq., for the Norddeutscher Lloyd, *et al.*

4941

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
 Esq., and Allan B. A. Bradley, Esq., for the Cunard  
 Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
 Asiatic Company, *et al.*

Mr. Beers: I state on the record that Senator  
 Spooner has communicated with me by telephone,  
 from Washington this morning, and stated that he was  
 detained there before a Congressional Committee and  
 would not be able to attend the hearing today, but

4942

*James C. Barr*

asked that the hearing be not postponed on that account.

Mr. Guiler: He made no objection to its going on.

JAMES C. BARR, called on behalf of the defense, testified as follows:

*Direct-examination by Mr. Beers:*

Q. Captain Barr, you are connected with the Cunard Steamship Company? A. Yes, sir.

4943 Q. In what capacity? A. Command of the steamer Carmania.

Q. How long have you been connected with the Cunard Company? A. Twenty-seven years.

Q. How long have you followed the sea? A. Forty years.

Q. Well, state what your first experience on the sea was; that is, what position you held before you entered the service of the Cunard Company? A. I went to sea as an apprentice in an English sailing ship. I finished my apprenticeship there, and filled various positions before the mast in steamers and as officer in sailing ships until I passed for Master Mariner, after which I joined the Cunard Steamship Company, as Fourth Officer in 1885.

4944 Q. And will you state, please, what positions you have held in the Cunard Company from the time you first joined the service as Fourth Officer? A. Every position, up to 1899, when I took command of the Catalonia.

Q. That is, do I understand, Fourth Officer, and then Third, and so on? A. All through the grades; from fourth to chief.

Q. And how many intermediate positions are there between fourth and chief? A. Six.

Q. Will you state what those positions are, please?

A. There are fourth, third, second, first and chief; that is six.

Q. How much time did you actually spend on each of those grades, Captain? A. I could not say from memory.

Q. About how much? A. I could not even guess.

Q. How long did you say it was between the time you joined the service as Fourth Officer, and the time you had independent command? A. Fourteen years.

Q. And was that fourteen years about evenly distributed between these various grades? A. Yes.

4946

Q. Do you know the basis on which promotions are made in the Cunard service? A. I should say merit.

Q. Will you describe the system as to education and training which has been required by the Cunard Company to your knowledge, in respect to the advancement and training of officers as a preliminary to their promotion? A. In the first place, an officer must have got a certificate to act as a Master Mariner before his application will be entertained.

Q. For any grade? A. For any grade. He enters the service, if his credentials are satisfactory, as Fourth Officer. After that he is reported upon by various ship captains with whom he sails, officially, twice annually.

4947

Q. That is reported to the company? A. To the company, to headquarters. The promotion is in the hands of the company. These reports have got a strong bearing on his promotion and the men are promoted from time to time as the vacancies occur. I think that is all I can say.

Q. Are promotions on a time basis or on a merit basis? A. Merit basis.

Q. After you had independent command in the Cunard Fleet, and commencing, as you have said, with



*James C. Barr*

4948

the Catalonia, what Cunard steamers have you commanded? A. Catalonia, Sylvania, Veria, Saxonia, Carpathia, Slavonia, Caronia, Lucania and Carmania.

Q. You are at present in command of the Carmania? A. Captain of the Carmania and am Commander of the fleet.

Q. How large a crew do you now command on the Carmania? A. Four hundred and fifty, within a few.

Q. How many passengers can the Carmania carry? A. It is difficult to answer that because they fluctuate.

4949 Q. About what is the capacity? A. With a crew of about eight hundred, I have had as many as two thousand souls on board.

Q. That has been the largest number of persons you have had aboard the ship? A. Yes.

Q. Will you describe in a general way what your duties as captain are? A. As the captain of the ship I am responsible to the Government, and to the company, for all things happening on that ship. The heads of each department are responsible to me in their turn for everything going right in that department. All complaints are brought to me, and I have general supervision over the whole ship for cleanliness, morals and safety, as a part of my duties.

4950 Q. What are your duties in respect to the health of passengers and the sanitary condition of the ship? A. I think that is all covered in the answer to the last question. All that pertains to the well-being of the passengers; morals, health—that is all part of my duty.

Q. In your experience do there frequently occur serious problems connected with the health of the passengers and crew, with which you have to deal?

A. The service is so well organized now that they do not occur frequently, though they do occur.

Q. In cases of sickness and death, and things of that sort? A. Well, those are common matters.

Q. In respect to the maintenance of order in the vessel, what are your particular duties—you have referred to it generally, but can you enlarge upon that?

A. The head of any department having any difficulty, would refer to me. It would be then my duty to take action, such action as seemed to me proper at the time.

Q. Am I right in understanding that you are the representative of organized government on the ship?

A. Yes.

4952

Q. And in maintenance of order what are your powers? A. I have plenary powers.

Q. Do you occasionally have to exercise those powers? A. I have exercised those powers.

Q. What are your duties in respect to hearing complaints? A. Any passenger or member of the crew feeling aggrieved may have access to me at any time. All complaints are supposed to be made through me.

Q. What are your duties with respect to inspection of the ship or of the passengers? A. An official inspection is made by myself, the purser, the doctor, and chief steward, at ten A. M., each day, during the whole of the passenger's quarters and conveniences used by passengers are inspected. Frequent inspections are made by the officers during the nighttime, and an unofficial inspection may be made by myself at any time.

4953

Q. Have you any duty with respect to reporting as to the record and capabilities of officers serving under you on the ship? A. Yes, twice annually I am caused to make a special report on the qualifications of each officer, to the company.

*James C. Barr*

4954

Q. When you refer to his qualifications you mean qualifications for what Captain? A. For his ability, and for his general attitude. He might be a good navigator, and not be able to handle men well, or *vice versa*, such matters as that would be mentioned in my report.

Q. Does the Cunard Company ever appoint an officer to any of its ships who is not of their own training? A. No, sir.

Q. Never takes one from outside? A. Never from outside. They all come in at the bottom grade and work up.

4955

Q. That is always a condition of independent command, of the company? A. Always; never broken.

Q. Are you familiar, from your experience, with the requirements on all the ships of the Cunard fleet, so far as discipline and method is concerned? A. Oh, yes.

Q. And you have testified to certain matters which come within your duty; would what you say apply to the duty of all captains in the Cunard service? A. Yes.

4956

Q. From your experience at sea, Captain, can you state what the value is to the public, of having officers of passenger steamships kept under observation for a considerable period of years, before being entrusted with ultimate authority? A. I don't think that in any other way desirable officers could be obtained.

Q. To what extent have you in your experience at sea, have you been about the world—in what routes have you been occupied? A. With the exception of China and Japan, I have practically visited all ports of the world.

Q. From your experience can you state whether the duties resting on an officer in the North Atlantic Passenger business differ from the duties of officers serving elsewhere on the sea, and if so, to what extent do

they differ? A. I should say yes. The weather is, as a rule, worse. There are more fogs, more gales. It is a frequently used route, a busy route, so that it would be a harder trade.

Q. How is it as to size of ships? A. The ships are larger and speedier.

Q. How as to the number of passengers? A. They carry very large numbers of passengers, much more so than any other trade.

Q. As to the point of number of passengers carried, how does the North Atlantic route compare with any other passenger route in the world? A. I should say very much better.

4958

Q. If a ship which had been engaged in traffic of a different sort were transferred with their former officers into the North Atlantic passenger business, what, in your judgment, what in your opinion, would be the result so far as regards the meeting of the requirements as they now exist in the North Atlantic business? A. I think he might expect to find chaos. That seems to be rather strong, but I don't think they could be met.

Mr. Guiler: I think you ought to specify there, Mr. Beers, what trade you are talking about. I think the question there is objectionable on the ground that it is too general, and does not specify just what ports you mean transferred from, whether the trade is passenger or freight, or what it is; and that the answer is objectionable.

4959

Mr. Beers: Perhaps I can bring it out by further questions. We will let that stand.

By Mr. Beers:

Q. Will you state whether in your opinion the requirements of the passenger service in the North At-

4960

lantic are such as to require special training for that service? A. Yes.

Q. Would it, in your opinion, be possible to train, in a short time, for that service, officers who had not previously been familiar with it? A. It is a little bit difficult to answer that question because if a man were brought in and trained awhile, he would be a good fourth officer, but if you had to train the whole staff, it would be very difficult indeed.

4961

Q. What, in your opinion, do the present requirements of the North Atlantic passenger business demand in respect to the length of training of officers operating ships on that route—particularly captains. I refer to the length of training? A. I don't find it easy to frame a reply to that. The answer to the former question shows that I consider rather more training is necessary for that trade than any other, and as to the length of training required, I could hardly put it into any single portion of time.

Q. Is it in your opinion necessary that officers commanding vessels in the North Atlantic passenger business should receive training through a certain period of years in order to be fitted for that command? A. Surely.

4962

Q. What—would it be possible to meet the requirements of this class of business without relatively long training of officers? A. No.

Q. Are you acquainted with the officials in the head office of the Cunard Company at Liverpool? A. Oh, yes; I see them every voyage.

Q. What position in the company does Mr. Lister hold? A. Mr. Lister of Liverpool?

Q. Of Liverpool? A. He is the head of all the passenger department, each of which has its own head, and he is the head of all.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. I have forgotten just now, Captain, what other trades have you been engaged in besides the North Atlantic trade; will you name those for me? A. I served my time in the Cape Horn trade.

Q. That is from where to where? A. From Liverpool and other continental ports around Cape Horn to Chile, Peru and up as far north as Portland, Oregon, also New Zealand, during that same period of apprenticeship. After that I was sometime in the West Indian trade. That is this present trade before the mast.

4964

By Mr. Guiler:

Q. I wanted outside this trade? A. Sometime in the West Indian and Brazil trade.

Q. Did you sail in China seas at all? A. No, sir.

Q. Did you frequently make any stops at the Mexican ports, South American ports on the way to Portland, Oregon? A. No, we made no stops. In those sailing ship days, we made long voyages.

Q. These were the sailing ship days? A. After that I came into some sailing ship experiences in the West Indies.

Q. Have you had any steamship experience with those places? A. Not in those places, no.

4965

Q. Then the most of your steamship experience has been confined to the North Atlantic? A. Yes, but I have had experiences outside in the Mediterranean trades, and in the New York and Mediterranean winter cruises, and in cruising from the West Indies to the coast of Africa, and considerable experience in cruising to South Africa and India; outside of this trade altogether.

Q. Did you not find, Captain, that it took quite as much experience to handle a vessel in the West Indian trade as in the North Atlantic trade? A. No.

*James C. Barr*

4966

Q. Isn't it frequent that tornadoes and cyclones come up there which requires a pretty good man to handle a boat? A. Such things do occur, but they are not frequent.

Q. It requires a man to be very well experienced? A. It wants an experienced navigator.

Q. In any trade? A. In any trade.

Q. What I am getting at is, would not it require as good a man in the West Indian and Mediterranean trade, as it would on the North Atlantic, to handle steam vessels? A. No; for the reason that the weather is not so persistently bad and they don't carry such large numbers of people.

4967

Q. Take the Pacific Coast, for instance, from San Francisco down to Panama, in that stretch of territory there, have you not very often experienced very severe tropical storms, and even worse, you might say than you might here? A. As I have already said, an experienced navigator is necessary in any part of the world. The points I had under consideration is handling large numbers of people in a short time and at high speeds.

Q. You were speaking more of the handling of the people than the actual handling of the vessel when you spoke about that, were you? A. I was.

4968

Q. But a man in those other trades might be just as well experienced to handle the vessel, might he not? A. Oh, yes.

Q. And generally is experienced to handle a vessel in the North Atlantic? A. Yes.

Q. He has got to have those requirements before they would send him in that business? A. He has got to satisfy the Board of Trade that he could take charge of a ship in any port of the world.

Q. The same requirements are required there in the other ports as they are in the North Atlantic as to the inspection of and handling of people? A. And

also much longer spells of fog and bad weather. I mean that the North Atlantic has its own special requirements, and any man coming in from the outside finds that out quick.

Q. So far as the handling of passengers—the internal affairs of the vessel—a man who has had experience in a steamship outside of the North Atlantic, could handle a ship in the North Atlantic as well, in a very short time? A. It would take some little time. You find outside men coming in don't get accustomed to it all at once.

Q. How long would it take to become accustomed; I am leaving out the internal management of the vessel, the running of the ship? A. It would depend upon the stamina of the man. If he was an Alexander Hamilton he might tumble right away.

4970

Q. It depends upon the abilities of the particular man, how long it would take? A. Surely.

Q. You have bright men and dull men on the sea as well as anywhere else? A. Yes.

Q. And the bright men don't always get the good positions, do they; I am asking you from your experience now? A. They have the best chance.

Q. But they don't always get the positions? A. Don't always get them.

Q. But take it in general, a man of average aptitude and equal training, that you have described is required for the running of all boats, it would not take so very long for the man to become accustomed to the North Atlantic trade? A. No, but if the man were going into the trade where all the rest of the people on board the ship were trained to that particular trade, he would take much shorter time in falling into line. If he had to whip up a whole crew, it would take considerable time.

4971

Q. It is very seldom that a man has to do that? A. Very rarely.



*James C. Barr*

4972

Q. He generally walks into a ship where the service is already formed? A. Unless it might be a new ship.

Q. Ordinarily a man, when he is placed on the Atlantic trade at all, arrives there with the officers and equipment necessary for that trade, and also the men who are used to that trade? A. Yes.

Q. Now the United States Government has—you are acquainted with the matter of requirements of third-class passengers, are you; I think you stated you were, on the North Atlantic trade? A. Broadly, yes.

4973 Q. If you really represent your company wherever you are, whether you are in England or touch in the United States, you represent them as regards this government, the United States Government, and the English Government? A. I should be the figurehead.

Q. I mean in the actual management of the passengers? A. Yes.

Q. Now you know of requirements, do you not, by the United States Government, that certain space must be provided for steerage passengers, don't you? A. Yes.

4974 Q. That the United States Government makes requirement that each third-class passenger should have a certain space in which to sleep; is that right? A. I could not name the specifications offhand.

Q. The principal one is that he should have certain sleeping space? A. Yes.

Q. And that is required by law? A. Yes.

Q. How long has that been in effect; that law in regard to space, to your knowledge how long have you been required to do that? A. Well, I could not go into the question.

Q. Roughly? A. I think that has always been so.

Q. As far as your experience goes? A. Yes.

*RE-DIRECT EXAMINATION by Mr. Beers:*

Q. Does the passenger business on the North Atlantic require the training of a large number of subordinate officers of the ship? A. Yes.

Q. You have testified as to the officers of minor grade under you, navigating officers, what other officers on the ship report to you in addition to the Chief, the First, Second, Third and Fourth Officer? A. The Chief Steward, Purser and Doctor.

Q. And how about the engine force? A. Chief Engineer, also.

Q. About how many subordinate officers are there on the Carmania between you and the crew? A. There are six or seven navigating officers. The engineers—I don't know how many. I only deal with them through the Chief. Each department has its Chief Steward; first-class steward, second-class steward and third-class steward. Then there are watchmen and inspectors of those watchmen, a master of arms; sort of ship's police. I think that includes all.

Q. In the Cunard service, are those subordinate positions to which you have referred occupied by men who remain in the company's service for a considerable period of time? A. They don't get those positions until they have been there for some considerable period of time.

Q. Do the duties of a Captain in the North Atlantic passenger service involve special strain and insight? A. Yes.

Q. Why? A. For the reasons before stated: the large number of people carried, the speed of the ships and the weather met with.

Hearing adjourned to Thursday, January 16th, at 11 A. M. and Friday, January 17th, at 11 A. M.

4978

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELL-  
SCHAFT, and others,  
Defendants.

4979

Before: Charles E. Pickett, Esq., Examiner.

New York, January 16th, 1913.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles Burlingham, Esq., for the Anchor Line, Ltd.,  
*et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for the Norddeutscher Lloyd, *et al.*

4980

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., and Allan B. A. Bradley, Esq., for the Cunard  
Line, *et al.*

Messrs. Spooner & Cotton, by Mr. Franklin, for  
the Allan Line, *et al.*

Upon consent hearing adjourned to Friday, Jan-  
uary 17th, 1913, at 11 o'clock A. M.

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

4981

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELL-  
SCHAFT, and others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

4982

New York, January 17, 1913.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles Burlingham, Jr., for the Anchor Line, Ltd.,  
*et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for the Norddeutscher Lloyd, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., and Allan B. A. Bradley, Esq., for the Cunard  
Line, *et al.*

4983

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
for the Allan Line, *et al.*

Ralph J. M. Bullowa, Esq., and Walter Rogers  
Deuel, Esq., for Russian East Asiatic Company, *et al.*

4984

*Edward A. Drake*

EDWARD A. DRAKE, called on behalf of the defense, being first sworn, testified as follows:

*Direct-examination by Mr. Bullock:*

Q. Mr. Drake, you are vice president of the Panama Railroad Company? A. Yes.

Q. How long have you been connected with the Panama Railroad Company? A. Twenty-five years.

Q. And the Panama Railroad Company at present and since the Government has taken over the building of the canal at Panama has been owned by the United States Government? A. The Government owns the Panama Railroad.

Q. And the Panama Railroad Company operates a line of steamers from New York to Colon? A. In connection with this railroad.

Q. And your experience with the operations of steamships has been for the period of about twenty-five years? A. Since 1893, when we inaugurated the line.

Q. Mr. Drake, in your opinion, how much more does a steamship line have to earn, to earn the equivalent of six per cent on a railroad investment?

Mr. Guiler: Do you think Mr. Drake has been qualified to answer that question yet?

4986

Mr. Bullock: All right, strike it out.

Q. You have entire charge, Mr. Drake, of the operation of the steamship line, have you not? A. I am the executive officer.

Q. And you have been since about when? A. When it was inaugurated in 1893.

Q. And you have charge of its finances? A. Yes.

Q. Do you know the cost of its operation? A. It is all a matter of record in our accounting department.

Q. You are in charge of the financial operation of the steamship line? A. Of the railroad as well.

Q. And of the railroad? A. Yes.

Mr. Bullova: I think he is qualified.

Q. Mr. Drake, in your opinion, how much more does a steamship line have to make to earn the equivalent of six per cent on a railroad investment?

Mr. Guiler: Objected to as incompetent, immaterial and irrelevant and calling for conclusion and ask to have it stricken out.

A. I always expressed my opinion broadly on that point, but I believe it is a maxim in transportation circles, that a steamship line has to earn from twelve to twenty per cent to make it equivalent to six per cent earned by a railroad.

4988

Q. Will you state the reason for expressing that opinion? A. Well, there are so many instances and exigencies that affect the operation of a steamship line or of a vessel that cannot possibly apply to the operation of a railroad.

Q. Will you give several of those instances? A. Well, perils of the sea, difficulties in maintaining schedule, arbitrary changes in cost of operation.

Q. Such as what? A. Wages, cost of material, fuel; I don't mean that those latter items don't affect railroads. It is the effect of those combined.

4989

Q. I suppose you cannot spot a vessel as you can a car?

Mr. Guiler: What do you mean by "spot"?

The Witness: If you say a ship will be on berth on the 9th of the month at a given hour, there is no certainty that it would be there. It depends upon the elements and upon a thousand and one things.

Q. Mr. Drake, you have—the Panama Railroad Company have a minimum rate across the Isthmus?

A. We have in through billing.

*Edward A. Drake*

4990

Mr. Guiler: I object to this question and to this whole line of testimony as not within the issues. The Panama Steamship Company or railroad is in no way concerned in the North Atlantic trade.

Q. What was the object of that minimum rate?  
A. To prevent discrimination between carriers and to insure the company's securing an adequate return for its services.

Q. What carriers do you refer to? A. To all our connecting co-carriers engaged in through billing.

4991 Q. Steamship lines? A. Yes, the railroad operates across the Isthmus and has a terminal on each end; each ocean, and has connecting companies termed co-carriers.

Q. Prior to the formation and operation of the California Atlantic Steamship Company, did you have any difficulty in preserving your rates? A. We never had any difficulty at any time.

4992 Q. What was the object at the time of the formation of the California Atlantic Steamship Company in making the minimum rate? A. The California Atlantic Steamship Company has not been defined here yet, but it was a steamship line organized to engage solely in what is known as coastwise traffic, that is traffic between the United States coast points on both oceans, via the Isthmus. The Panama Railroad Company does its business on the basis of agreed tariffs, classified in the case of the coastwise, with minimum rates established, or basic rates, I may say, established for the purpose of—as I stated before—of securing an adequate return to the railroad for services it performed.

By Mr. Spooner:

Q. Mr. Drake, when you say "agreed" rate, agreed with whom? A. Practically issued by ourselves.

That that may be understood on what is known as eastbound traffic, we have a classified tariff, that is, cargo coming this way from the Pacific Coast to the Atlantic Coast, we have a tariff based on forty cents per hundred pounds or \$8.00 per net ton for rough, coarse goods. Westbound, we have a tariff based on forty-five cents a hundred, or \$9.00 per net ton. Those rates are divided between the carriers on the basis of the service performed.

Q. That is, between the railroad company and the steamship companies? A. Between the railroad company and the carrier on the Pacific.

4994

By Mr. Bullowa:

Q. Now, on the traffic which originates in New York, and is diverted to the various lines at Panama to the Pacific Coast, do you divide the traffic between the various lines? A. What do you mean by traffic? Passenger or cargo?

Q. Either or both? A. With passenger—there is a *modus operandi* with both—on the through rates to points beyond the Isthmus, there is a through tariff on cargo divided on given established percentages, and the passenger rate is made up of practically the sum total of the locals. We have a rate to the Isthmus of \$75 to Colon and \$78 to Panama and for points beyond the Isthmus the passenger order is issued on the local agent of the on-carrier who issues the ticket on that order—upon the payment of the freight money—that he may respect, and we, having collected it at this end, account for it later.

4995

Q. Do you have more than one class of passengers to the Isthmus? A. We have cabin and steerage only.

Q. What is the steerage rate to the Isthmus? A. \$30.



*Edward A. Drake*

4996

Q. What is the distance? A. One thousand nine hundred and eighty-five miles.

Mr. Guiler: From where to where?

The Witness: From New York to Cristobal or Colon.

Q. Do you find that is a paying rate?

Mr. Guiler: That is a question of law—that is a conclusion.

Q. Do you find it is a paying rate? A. Yes, at times it is remunerative and others not.

4997 Q. Well, how does the rate of \$30 remunerate you? A. It is a satisfactory rate for steorage accommodations; at any rate, it is our rate.

Q. In steorage accommodations you have no separate berths? A. They are under United States regulations.

Q. But not in excess of the regulations regarding steorage rates? A. We comply with regulations, that is all. The Panama Railroad is a corporation under a charter from the State of New York, and is operated as a corporation.

Q. But is owned by the United States Government? A. Yes.

4998 Q. Except the qualifying shares? A. Yes, and those are.

Q. Not nominally in the name of the director? A. My share is in my own name; it belongs to me; I paid for it. The Government has control of it, of course.

Q. Now, as far as the traffic after it leaves the Isthmus, do you divide it in any proportion among the various lines on the Pacific Coast? A. Freight traffic, we do.

Q. How is that divided? A. On a scale of percentages.

Q. To the different lines? A. No, uniform according to service; service to the north of Panama is divided on one basis, to the south on another.

Q. I mean under—I refer to the proportions among the several lines? A. The proportion of cargo—the companies solicit their own traffic at New York, and when it is brought to us we carry it according to the bill of lading that is issued.

Q. Any traffic that originates directly with you, how is that? A. That is what is known as a routed bill of lading.

Q. How do you apportion that on the Isthmus? A. On the principle that if there is only one steamer on the berth to sail for the departure named in the bill of lading all of that class of cargo is given to that steamer. If there are two, it is divided; if there are three, it is divided. The basis principle being equal treatment to all.

5000

Q. Now, prior to the formation of the California Atlantic did you find that the Pacific Mail was cutting your through rate? A. Oh, no. I don't know that the Pacific Mail was ever charged with that. They were charged with not encouraging the business; not developing it. I never knew they cut rates.

Q. There was a Caribbean Conference, was there not? A. I believe so.

5001

Q. And you acted in an advisory capacity? A. When that Caribbean Conference was organized, it is made up, I believe, of the local heads of the different lines that now run to the Isthmus. It never would have run if I had had my way. They have a periodical meeting, or meeting subject to the call of the chair, I believe. We were invited to become a member, and be represented, and we declined, as the Government does not either recognize or participate in conferences, or be bound in any way by any of their conclusions.

*Edward A. Drake*

5002

Q. But you attend meetings? A. We have an opportunity to be represented at all of the meetings, or, are invited to attend this Caribbean Conference. They went further than they were authorized and elected us a member, which I repudiated but accepted the invitation to attend meetings on their account, more than ours.

Q. Do you attend those meetings or do you have a representative attend? A. No, I had occasion to question our traffic manager the other day, and he told me that he had not attended more than one or two.

5003

Q. But he had attended one or two? A. He attended the second one, merely to state the attitude of the Government.

Mr. Guiler: Are you trying the Prince Line case, or the Hamburg-American?

Q. Did you enter into an agreement with the Pacific and the California Atlantic at any time? A. Jointly, no, sir.

5004

Q. Was such an agreement discussed? A. No, we don't have any contracts. The Government announced most recently, on May 1, 1911, the conditions under which we would carry on the coastwise traffic, and those conditions are open to anybody who will comply with them. Under those conditions, the Pacific Mail continued its service.

Q. Do you find that the shipper can secure better service when there is competition in the service than if there was none? A. The volume of traffic increases; I don't know that the service is better; in fact, I should say it was not.

Q. You have also found in your experience that when there was no competition rates increased? A. No; rates are stable. I hardly like to go on record as making a statement of that kind. We are operating under the Government. Initial carriers are given con-

siderable latitude in inaugurating rates or changes in rates, but they have to satisfy the railroad that there is a reason for their action. In through traffic, we assume that anything that would interest an initial carrier in the way of business, would interest the Panama Railroad Company as an intermediate carrier, so that frequently changes of rates are inaugurated, justified, concurred in, by the Panama Railroad, but if there is any attempt to make rates, that are prohibitory, on one hand, or unremunerative on another, we would object, and the old rates would continue in effect.

5006

Q. Well, in operating a steamship line, you find that it is better for these various steamship lines to agree on some minimum rate? A. I don't know about that. The Government does not make a rate or break a rate for any other reason than its own. We have our rates independent of any other lines. I don't know what the motive of their action is.

Q. You don't believe in cutting the rates of an outside line to get the traffic? A. I don't know what you mean.

Q. That is, you won't cut the rate established by the other lines? A. Yes, I will; I will make any rate, and they know it. I may explain there, perhaps. The Panama Railroad, for a great many years, operated the only line between New York and the Isthmus. It was against its policy to admit other lines there because our line begins at New York, and ends at Panama. The Hamburg-American Line, the Atlas Branch, by an appeal to the executive, secured the privilege of connecting with the road at Colon, and afterwards secured the through billing privileges, that is for business beyond to points on the Pacific Coast, and when that was accorded to one line, it was accorded to others, namely, the Royal Mail followed. The United Fruit Company followed and now any line can secure

5007

5008

5009

5010

the same privilege; but originally we had a rate of \$8 between New York and Colon—\$8 a ton—and a special company's rate, rate for the company's own service. When the Government purchased the railroad, the maximum price was fixed at \$5 for the other service; that is the tariff. The Government Line has a direct service between New York and Colon or Cristobal—when the Atlas Line came in they made a deviation to Kingston. Consequently, felt that by that delayed service it was entitled to a differential rate, and made a \$4.50 rate. Now, that indirect service was the occasion for the differential desired, but when their service improved, and they made practically direct connection, it was expected that they would withdraw the differential on that account. I believe they would have if the Government had made the request of them to do it, but the Government does not ask anybody to advance rates, so there was only one alternative and that was for this company to meet that rate, and I met it and made a \$4.50 rate. Subsequently very severe competition developed and I announced for the information of the other lines, that so far as the traffic of the Panama Railroad *per se* was concerned, I would carry all of it; that is, the company's own purchases. Material is very often bought to be delivered on the Isthmus, and the shipper tries to get lower rates by using one line as a club on the other. I announced that I would carry all the Panama Railroad's cargo at any price necessary to secure it. Similarly, I announced that I would carry all of the canal commission business—that I had space in the ship for it at any rates that they made among themselves. That brought about a pretty low scale of rates. Through the activities of the United States Steel Products Company, a pretty low basis of competitive rates was established. The other lines complained to me at that time through their different representatives who I don't recall now, that the

Government was compelling outside steamship lines to do business at a loss. I told them that did not concern the Government because as we were doing business at a profit. They wanted to know whether if we were asked we would restore the old rates. I told them, no, I would meet any rate that they might make. They announced to me subsequently that they thought \$3.50 rate for low grade cargo would be a remunerative rate, and they established it, and that is the rate now. I have gone into this explanation to answer your question, because if they made a fifty cent rate, I would carry at that all cargo they consigned to the Panama Railroad.

5012

Q. In your experience, the result of a series of competitive rates, is to reduce a rate to such an extent, that the carriers carry merchandise at unremunerative rates? A. It was with some, it was not with us. The competition did not affect us.

Q. Because you had a certain amount of Government material to carry? A. We had other business than the local commercial business.

Q. If you had no Government business to Panama would it have been unremunerative? A. We could drop out that business tomorrow. We earned seventy per cent of our revenue from commercial traffic.

Q. At \$3.50? A. That is the rate between New York and Colon. 5013

Q. You mean that the railroad would earn it or do you mean that the steamship would earn that? A. What are you referring to?

Q. That seventy per cent of the business; taking the steamship line separate, could you have made a profit at the fifty cent rate? A. No, the business would not have been—

Mr. Guiler: Take them all together.

Mr. Bullowa: That is the railroad.

*Edward A. Drake*

5014

A. It is the combined earnings of traffic that make the seventy per cent of earnings referred to those of the steamship line are not treated separately. It is a part of the through line.

Q. Well, as a result of the series of competitive rates, the rate would have become unremunerative to the steamship line alone? A. I stated, Mr. Bullowa, that the outside lines claimed that it was unremunerative.

5015

Q. What is your experience? A. That is a matter of surmise. If a large volume of the business had been carried at the lowest rate, it would have been unprofitable.

Q. And the result would have been to have driven out of the business all except the strongest line? A. That is the principle of the survival of the fittest.

Q. That operates in the steamship world?

Mr. Spooner: That operates in every way.

*CROSS-EXAMINATION by Mr. Guiler:*

5016

Q. You have found, Mr. Drake, that when the competition was found the severest that you have made money in connection with your steamship and railroad? A. The fact of the competition did not influence us at all.

Q. You continued to make money in spite of that. When you were cutting rates, to what rates did you cut? A. The cut of rates only affected a part of our business, that is, the direct business between New York and Colon. The other business remained on the basis of agreed rate tariffs.

Q. Well, did you get that rate? A. When the Government got control our \$8 rate was immediately cut to five dollars because we have to carry the Commission's business at regular tariff rate.

Q. Well, how low did the rates go? A. As low as two dollars.

Q. And still remain remunerative? A. As far as we were concerned; yes, sir.

Q. And the other outside lines have met that rate? A. We met the rate at the time, because it was claimed that they were offering those rates. We could only judge—if we quoted \$2.50 for instance, for a rate, and we did not secure the business we could only assume that it went at the lower rate.

Q. But the public then, when this competition was the severest, was just this much better off, by those low rates; is that right? A. Yes; though it did not affect the through freight; it only affected the direct traffic between New York and Colon.

5018

Q. They were so much better off by that? A. Yes. I never saw the time the shipping community would not take all that was given to it.

Q. And you found that during the period, Mr. Drake, as you state, the freight—there has actually been an increase in the amount of freight carried. That is you get more business, don't you? A. Yes, a reduced rate would increase the volume of traffic moving.

Q. Increases it automatically, does it? A. Sometimes it is true when there is very little freight moving, or there is no freight to move, it is a matter of indifference what the rate is. It won't move at any rate.

5019

Q. Now, you could afford, could you not, to make a lower rate in order to get the greatest volume of traffic? A. That would have to be determined at the time owing to the diversity in character of freight that is moving.

Q. As a general proposition, that is true? A. Yes.

Q. And that consequently the greater profit might



*Edward A. Drake*

5020

be made even at a lower rate, on account of increased volume of freight? A. No.

Mr. Spooner: To carry it at a loss, ought it?

Mr. Guiler: I did not say that, Senator.

The Witness: On a small volume of business you will want to make a cent a pound profit. For instance, the Standard Oil or any of the large corporations that have a tremendous output, increase their revenue by millions, by an increase of a mere fraction of a cent on the cost of a gallon. The same principle would apply to traffic.

5021

Mr. Guiler: They sometimes can increase their return by a decrease in rate?

The Witness: Yes, sir.

Q. And that has been done on that line? A. I did not make a qualified answer a moment ago for the purpose of going back on anything, but the volume of freight is fluctuating. If you have a large quantity of freight that pays well, there would be less room for the other freight that pays a small rate. If you have a lot of space left in a ship, naturally to fill that up you would increase your revenue.

5022

Q. Assuming that there is a fair amount of freight to go through, you might in competition with others, get a larger amount of that freight and get a profit?

A. Yes, sir. I would like to say irrespective of competition with anybody. We are a Government owned line attending to our own business.

Q. The way you have run it, there has been active competition? A. When the Government bought the canal it bought a going concern, the Panama Railroad Company with long established practices. The agreements that covered that practice were terminated summarily. The Government itself would not block up a highway and thereby suspend traffic of the whole Pacific Coast, because at that time it was practically the

only means of communication, hence existing practices were continued so far as they did not conflict with United States Government requirements. Anything that did, was cut off without regard to the effect on any line.

Q. The result of Government ownership of the Isthmian Railroad and Steamship Company has been to put in higher competition there? A. It has always been a going concern; we were in the business alone originally. The other lines came in and became the competitive lines.

Q. It has had the effect of reducing rates materially, has it not? A. Yes, indeed.

5024

Q. To what extent—to what percentage? A. Our steamship rate from \$8 to \$3.50.

Q. The other lines have been reduced to what? A. I don't know. They have met our rate.

Q. From \$8.00 to \$4.50? A. Yes.

By Mr. Bullowa:

Q. At the present time you are not competing with the outside lines—your rates are practically the same?

A. Our rate is three and one-half; four fifty tariff rate, three and a half for the lowest grade commodity.

Q. You are not cutting their rates; you have a gentleman's agreement? A. No.

5025

By Mr. Guiler:

Q. You have no gentleman's agreement? A. None at all.

Q. You say you make a rate to get the biggest amount of business? A. The Secretary of War told me never to make or break a rate for anybody else's reason. That is the policy of the Government.

Q. And to make the rates as low as you could and run your line? A. Yes, sir.

Q. And you have done so? A. Yes, sir.

*Edward A. Drake*

5026

Q. The effect of that has been to reduce all rates?  
A. Yes, sir.

By Mr. Beers:

Q. Mr. Drake, where you are speaking of \$8, and rates going down from \$8 to a considerably lower figure, you refer to the freight rate so much a ton, don't you? A. Yes, sir; forty cents a hundred would make \$8 net per a short ton.

Q. How large a percentage of the business of your steamships has consisted of the through billed freight and the freight for the Commission? A. That is all subdivided in our annual report.

5027

Q. Can you bear it in mind? A. No, sir; I can furnish you the definite information if desired.

Q. You distinguish between the merchandise carried from New York to Colon as constituting a certain portion of your business, and the other business which came on through bills. Now, how much of your total carryings consisted of the freight carrying the same from New York to Colon? A. I cannot answer that from memory so that it would be a record.

Q. Do I recall correctly that you spoke of some seventy per cent of your business? A. I was speaking of all the business of the company. I said that seventy per cent of the revenue of the company was derived from commercial traffic, as against the Commission and railroad and the company's own traffic.

5028

Q. When you speak of reducing the freight rate in order to meet the rates of the other lines, how much of your freight carried did that reduced rate affect, about? A. The records of our tonnage are divided on the basis of traffic, New York to Colon, New York to Panama, New York to points beyond Panama, and that is all a matter of daily, weekly, monthly records. I could not give it to you from memory today, although my traffic manager can lay it on my desk this afternoon.

Q. It is a fact, is it not, that a very large portion of your business was not affected by the reduction of the freight rate on the business between New York and Colon? A. That is correct.

Q. So that the cutting of that rate left the income from the other sources unaffected? A. Yes, sir. I say; yes, sir; because—

Mr. Guiler: Explain it fully.

The Witness: The sea is open. Traffic between New York and Colon is unrestricted. Any of you gentlemen can operate a steamer from New York to Colon. He is entitled to his wharfage privilege at Colon and to be treated exactly as any other line, and more than that he can issue a through bill for instance to Central America. A through bill can be issued via Panama by any individual, by complying with certain conditions—he has to comply with certain conditions that insure the railroad and the on-carrier their proportion of established rates.

5030

Q. What effect did the operation of the American-Hawaiian Line to the Isthmus, to Tehuantepec have? A. It established another line of competition, that is all.

Q. Was not that one of the several causes of reducing the rate between New York, the through rate? A. For many years, in order to make the operation of our railroad rate automatic, we took the rates of the Trans-Continental Railroad, which I always had, and announced a variation from those rates on a percentage basis; thirty per cent on carload lots and forty per cent on less than carload lots. That was objected to as apparently, though not really, co-operating in making rates with the Trans-Continental Line, and the Panama Railroad subsequently issued its own tariff. The scale of rates is lower than the United States Trans-Continental Railroads and by Tehuantepec and the rates by Tehuantepec are higher than by the Isthmus of

5031

*Edward A. Drake*

5032

Panama, because of the relative geographical situation of the lines. Our rates are lowest except the rates around the Horn.

Mr. Guiler: You run your railroad, and the steamship business is essential as a part of the railroad?

The Witness: Yes, sir.

Q. And try to make it profitable as well as anybody else? A. Undoubtedly.

By Mr. Bullowa:

Q. For the fiscal year ending June 30, 1912, the steamship line showed a deficit, did it not? A. \$305,000.

Q. But the railroad showed a profit? A. Yes, sir.

Q. The steamship line in itself showed a loss? A. For specific reasons stated in the annual report. There were conditions that don't usually affect it. At the end of the fiscal year the steamship line became remunerative and has continued so. The adverse conditions apply to that particular fiscal year.

Q. Those frequently occur in business? A. Oh, yes.

Q. The traffic is not as regular as in the operation of the railroad? A. The occasion of that deficit, or rather the reasons for that deficit were not altogether traffic reasons.

5034

There has been a great deal of pressure put upon the Government to establish branch lines of the Panama Railroad out of other ports than New York, claiming that it was discrimination in favor of New York, that Boston, Philadelphia, Charleston, and New Orleans should have privileges of a Government owned line as well as New York. When the Government bought the railroad, it bought a line operating out of New York; after very serious consideration was given to the applications of the different other bidders, I was authorized to establish a branch out of any other port when

it could be demonstrated as a self-sustaining proposition, and they have never been able to make that satisfactory demonstration, so it has not been done, but under our arrangement with the California and Atlantic Steamship Company, in order that their vessels returning from Balboa to San Francisco might have homeward cargo, I consented to authorize establishing a line out of Philadelphia, and one out of New Orleans. They did that for about a year, and sustained very heavy losses, but at the same time they established traffic conditions that the Government was obliged to protect for a time and we did that also at a serious loss. We lost \$100,000 out of Philadelphia and a relative amount out of New Orleans. The Government withdrew that extension, and now the standard is that no other branch be established, nor in fact, will the present line be increased until its scope is defined by Panama Canal policy.

5036

Q. The losses were due to the starting of new lines?

A. Not all the losses, not at all. Operating the line as continuously as we do to feed an army of 70,000 people down there and carrying material for the construction of the canal, we have to operate our steamers continuously. We have to repair them while still in Commission. There was an expense of \$282,000 during that year owing to what would be called extraordinary repairs in lieu of an annual overhaul. That was charged to operating expenses of the steamship line.

5037

Mr. Guiler: That was also a cause of loss?

The Witness: Yes.

By Mr. Bullowa:

Q. As a matter of fact the keeping of the sailing dates costs a great deal more than a line that can send a steamer at indifferent periods. That is the regularity of sailings? A. With us, it is a necessity; it costs more money.

5038

Q. The cost progresses as the schedule is strictly kept? A. Every time a Sunday and holiday work is required, either for repairs or in loading or discharging freight, it costs.

Q. During the year 1912 was the space in outward bound steamers in the company available for coastwise cargo, distributed between the California Atlantic and Pacific Mail in any given proportion? A. Yes.

5039

Q. In what proportion? A. There was a certain space set aside in our steamers for coastwise traffic and because there was a greater volume of traffic offering by the California Atlantic than by the Pacific Mail Company, they were given fifty-seven per cent of the space allotted to coastwise traffic and the Pacific Mail given forty-three per cent.

5040

Q. That is, you found it necessary in the operation of your steamers to apportion this traffic? A. The California Steamship Company went to Washington—over my head—to get a modification of the rule of equal treatment to all. Equal treatment would have divided the space fifty and fifty, between the two carriers. On pressing upon the authorities there their necessities and the requirements that a large volume of freight which they could secure out of New York, should be provided for, they were given fifty-seven per cent; given an opportunity to demonstrate what they could do, and to help them along, in order to maintain the independent operation on the Pacific Ocean which they had established.

Q. What was the object in obtaining this independent operation? A. They went into the business to make money, I have no doubt. They did not do it, though.

Q. Competition was too severe? A. The methods of competition were. They owe the Government \$150,000 now.

Q. You found that competition when carried to the extreme limits results in the elimination of the weaker lines? A. I qualified when I said "their methods." The rates now in effect are remunerative. A basic rate of \$8 eastbound and \$9 westbound is a remunerative rate. It is so evident that other lines have jumped into the gap and now have applied for and have been granted through billing privileges.

Q. But you also found that if there was not a basic rate, that competition reduces the rate to such an extent that the weaker line falls out? A. Competition running wild brings ruin, of course.

Q. And the object of a Government in trying to establish a basic rate is to prevent competition running wild? A. The object of the Government in establishing a basic rate is that it shall receive a remunerative compensation for the service it performs. The ships come to our terminal, the cargo is discharged on to our wharf, loaded on to our cars, carried across the Isthmus and delivered on to ships on the other side. In the case of coastwise traffic to New York, it is delivered alongside of our ships, and is brought to New York by those ships, on the principle of allowing initial carriers to make rates. The Government is not operating a line to make a loss any more than any other individual.

5042

5043

Q. The effect of the basic rate is that the railroad company demands a certain amount of that basic rate for the service crossing the isthmus? A. The government says it will participate on a percentage basis of division of earnings based on its tariff.

By Mr. Guiler:

Q. You spoke of the methods of competition of the California Atlantic; what were those methods?

A. I can only judge by the outcome. I don't want to state anything here that I don't know; they claim



*Edward A. Drake*

5044

the result of their operation is that they are in debt some \$450,000, outside of stockholders' claims. I don't know what other means they resorted to, but they collected a very large volume of prepaid freight money for which they have not accounted to us, for our proportion, and in the monthly accounting all of the business was not included.

Q. Well, the effect then, is that the California Atlantic has gone back on its promises to the government? A. It did business on our capital for a long while.

5045

Q. Now, you stated a while ago, that other lines were complaining that the government compelled outside lines to do business at a loss? A. At that time, that was the general complaint.

Q. And you stated that that did not concern you, because you were doing it at a profit? A. Yes, sir.

Q. And you were at that time, making the lowest rates that could be had? A. Yes, sir.

Q. And yet, you were making a profit? A. Yes, sir.

Q. And you considered, did you not, that if the other lines met that rate, they could do business at a profit, also? A. I was not concerned.

5046

Q. What would your opinion be on that subject? A. I don't believe that if all of the business of the steamship lines, or rather, if the only business of the steamship lines was operating between New York and Colon, that the \$3.50 rate would be a remunerative rate.

Q. But it is possible, or might be? A. I would not like to have to demonstrate it.

Q. At any rate, it was profitable to you? A. Yes, sir.

Q. How long is the Panama-Colon Railroad? A. Fifty miles.

Q. So that the greatest part of your haul is at sea, isn't it? A. Yes, sir.

*Edward A. Drake*

5047

Q. And yet, on the entire business, you have been able to do business at a profit? A. Yes, sir.

Q. Now, how do you figure out, Mr. Drake, your statement in regard to a steamship line having to earn twenty to twelve per cent to make it equivalent to six per cent on a railroad? A. I stated that I had always dealt with that, broadly. It was one of the first instructions that were given to me, or rather, one of the first points relative to steamship operations that was laid down to me by experienced steamship men. I think I may have accepted it then and verified it since.

Q. Your railroad is only fifty miles long? A. Yes, sir.

5048

Q. And your experience has been entirely with that railroad? A. Entirely; I came from Wall Street.

Q. So that you cannot speak in regard to a railroad which is trans-continental? A. While I may not be considered a railroad man, I am intimately associated with a great many railroad men, and I am happy to say that I have kept my end up with them.

Q. So that your statement in regard to the twenty per cent—

Mr. Spooner: You mean that you are not regarded as a railroad man, or that you don't regard yourself as a railroad man? I have always understood that you were a railroad man.

5049

By Mr. Guiler:

Q. Your statement that you have to earn twenty per cent, was really more acceptations of what has been stated to you than your own experience? A. Besides operating this fifty mile railroad, I have had to do with, and have constructed railroads, but not directly in the accounting part. As a practical man, I would readily accept the statement; in fact, I did, and I believe it can be proven.

Q. You have not, in any of your experience, tried to work that out? A. No, sir.

*Edward A. Drake*

5050

Q. Now, this fifty mile railroad down there, is exceptional—the circumstances are exceptional as compared with any other trans-continental railroad, are they not? A. I don't know in what way. It was the original trans-continental railroad. It started in by charging \$25 a passenger and \$100 a ton. It grew in railroad competition until now, it stands where it does.

Q. At the time it was charging those prices, it could get anything it wanted? A. It could now, because the Pacific littoral was from Salvador to Valparaiso, is largely dependent upon the isthmus.

5051

Q. Is there any other railroad running across the isthmus? A. The Trans-Andian, the Costa Rican, Guatemalan and the Tehuantepec, in addition to the trans-continental railroads to the United States. They are all from coast to coast.

Q. Are those railroads in active competition with your railroad? A. I don't know. They are all trans-continental railroads.

Q. You have no arrangement with them? A. We have no arrangement with anybody.

Q. That is, your rates are made as a basis to make a fair rate to everybody that comes along? A. Absolutely equal treatment to all-rate competition, but remunerative rates.

5052

Q. Even the statement in regard to your keeping your schedules there; you are able to make a profit, are you not? A. Yes, sir. That is the ordinary requirement of the steamship lines. There are special reasons with us here, why we should maintain our schedule; because we carry food stuffs in cold storage. We have the largest floating cold storage facilities in the world. We are feeding an army of 40,000 on the isthmus with just the same class of food as you have. We have to do that regularly.

Q. You find that you can keep that schedule and yet make money? A. We do keep it and we do make money.

Q. What percentage of expenses would you say the keeping of the schedule would require over and above any regular schedule? A. I could not say, sir; if a ship is likely to be detained, unless extra effort is made to get her away, the additional expenses to get her away would embody nightwork, or extra labor. That would be some of the additional outlay to maintain the schedule.

Q. But taking the whole business together, it is better to maintain your schedule than not? A. We operate in two ways; we have four steamers that operate on a regular schedule. We have two large steamers that operate on an approximately fortnightly schedule. They vary a day or two—set back or ahead—according as the movement of cement is imperative or not. They are cement steamers.

Q. Do you make a through rate on passengers from New York to San Francisco? A. Yes, sir.

Q. What is the rate at the present time? A. \$120 for through passengers.

Q. How many miles does that cover? A. 1985 on the Atlantic, and 3400 or 3500 on the Pacific.

Q. And you have found it was profitable to carry passengers for 5400 miles at that rate? A. I don't know whether it would be profitable or not.

Q. Take the fifty miles of Panama Railroad; you do make a profit? A. Our proportion of that rate is profitable. We get 40 per cent, or \$48 for the through passenger from New York to Balboa.

Q. And you have found that to be profitable? A. Yes, sir.

Q. How many miles do you carry for that \$48? A. From here to Colon, and across the railroad to Panama. That would be 1985 miles at sea, and 50 miles of railroad.

5056

*Edward A. Drake*

Q. About 2000 miles? A. Yes, sir.

Q. Two thousand miles for \$48, that is right, isn't it? A. Yes, sir.

*DIRECT-EXAMINATION by Mr. Beers:*

5057 Q. Did you state how many people were under charge of the Isthmian Commission? A. They have 40,000. The last canal report states that they have reached the maximum number of employees engaged, and that is 40,000. They have their families with them, and it is estimated that there are 70,000 people dependent upon the canal construction.

Q. And your company has a monopoly of the business of the Isthmian Commission—the carrying? A. Oh, no.

By Mr. Guiler:

Q. That is, they can go by any other line they want to? A. Yes.

By Mr. Beers:

Q. How about the railroad? A. Nothing can get across the isthmus except by the railroad.

5058 By Mr. Bullowa:

Q. As far as the supplies for the isthmus, you have the total? A. No; we don't have that. A large quantity goes by the Royal Mail; a large quantity out of New Orleans, a very important portion of it; a great deal comes down from San Francisco.

By Mr. Spooner:

Q. Don't you take all you can get? A. We carry all up to our capacity. Say they made a requisition for a couple of thousand barrels of potatoes if we can get them to go down by our steamers; they would

go by New Orleans, and regardless of whether we had space or not.

By Mr. Guiler:

Q. You stated a while ago, there were other trans-continental lines down there that could carry freight from ocean to ocean? A. That is all ocean to ocean.

Q. They can do that? A. Yes, sir.

Q. So that your line is not the only one? A. No; they are doing that now. The Costa Rican is engaged in local business and the Guatemalan has a through line. The Tehuantepec has a through line. I mean carrying cargo beyond either terminal.

5060

Q. So that you have no monopoly of the carrying business? A. No; there is no monopoly there.

By Mr. Spooner:

Q. Those railroads don't carry much into the canal territory? A. No.

By Mr. Bullowa:

Q. Mr. Drake, at the time you were operating from New York at a two dollar rate to Colon, did you keep a separate account of the steamship earnings on that two dollar rate? A. Yes, sir.

Q. Was the company earning a profit on the two dollar rate? A. The system as a whole, was earning money. I can answer the question that you have just asked by a reference to our records.

5061

Q. While you were operating at the through rate, at the rate of two dollars from New York to Colon? A. That was not a through rate.

Q. You still maintained your basic rate across the isthmus? A. Yes; that did not affect the other business.

Q. That rate was preserved to Balboa? A. It sometimes happens that a sharp reduction in the

5062

*Edward A. Drake*

rate of one member of a combination, enables a shipper to avail himself of a sum of effective locals, so as to beat the through rate; that is if they were carrying at \$2 per ton by the steamship line and the rate was \$2.50 across the isthmus, the sum of the locals would be \$4.50, while the through rate from New York to Panama might be \$6.

Q. But the government at all times, maintained and executed its basic rate across the isthmus? A. We are operating on established tariffs with agreed divisions, and all our carriers account to us monthly, for our proportion of the through rates.

5063 Q. That is, your rate across the isthmus is the same to everybody? A. Yes.

By Mr. Spooner:

Q. A fixed rate? A. Yes.

Q. For instance, there is one scale of rates from the north of Panama to Central America, according to distance and commodity? A. Yes, sir.

By Mr. Guiler:

Q. You can change that rate, provided you give everybody the same service? A. Yes, sir.

5064 Q. And you do change it? A. Changes are inaugurated by initial carriers from time to time. That is, the European lines who initiate the basis from Europe to the west coast have the authority to make any rates necessary to secure the business on the basis of revenue. The same way—it is the same way here; it is the same way on the west coast. Initial carriers there, inaugurate the rate, and unless we have some radical objection to make—if the rate is made with no iniquitous purposes or to stifle trade, we concur in it.

Q. It would be your duty as the agent of the government, if you found that they were trying to stifle trade, to object to those rates? A. Absolutely.

*Edward A. Drake*

5065

Q. And those were your instructions? A. Yes.

Q. And you have done so? A. Yes, sir. We have insisted in the making of through rates abroad that there shall be no discrimination against American merchants, in favor of European. In other words, we have insisted on equal treatment to all. There is a point beyond which we refuse to consent to an increase in rates, and that point has arrived now. It happens that the European lines have controlling reasons for requiring higher rates, such as increased expense of operation, and to get an earning out of it, they thought best to advance the rate outward from Europe, higher than I am willing to consent to from here, so for the time being, there is a discrimination in favor of the American merchants as against the European, but, it is entirely voluntary on their part. They accept that condition.

5066

By Mr. Guiler:

Q. That is, the lines outside of the United States are trying to get higher rates than you consider they are entitled to? A. Higher than I want to put in effect from here in order to maintain parity. It is the general principle of steamship operation to get all that the traffic will bear.

Q. You think they have reached that point? A. They have reached the point where there is divergence. I am not willing to meet them. If they are willing to maintain discrimination, that is their own lookout.

5067

*DIRECT-EXAMINATION by Mr. Spooner:*

Q. Has there, or has there not, been an essential increase in the cost of operation? A. In every direction, the most rigid and arbitrary trust in the wide world is the labor trust, and that has been—



*Edward A. Drake*

5068

Q. Overworked? A. Yes; quite recently I have found it necessary to get the government to give me navy men to replace sailors who have left our ships in spite of promises not to, provided that I would agree to abide by any agreement which was reached; in spite of that they left.

By Mr. Guiler:

Q. There are other trusts? A. Yes.

By Mr. Spooner:

5069 Q. Will you give some of the cases? A. Material, coal, wages, every department.

Q. Food? A. Yes; we all know what the increases have been. That is the reason cited for the increase. The increased cost of operation is the reason given for making it necessary to advance rates.

Q. Does it justify an advance in rates? A. It would, and it does.

By Mr. Spooner:

Q. Do you know the steerage rate from New York to Colon twenty years ago? A. Thirty dollars.

5070 Q. What is it now? A. Thirty dollars; although conditions are very much better now. The Department of Labor compel special treatment of steerage now, so it is better worth the money to them.

Q. Do you think thirty dollars steerage rate from New York to Colon is a reasonable rate? A. Well, as compared with the first-class rate, it is a high rate, but it is our rate. The distinction between cabin and steerage condition is marked. If the rate were taken as the gauge, first-class would only be about fifty per cent better than steerage.

By Mr. Bullowa:

Q. Is it a reasonable rate? A. Our steerage rate is \$30; first-class, \$75.00.

*Edward A. Drake*

5071

Q. And you could or could not afford to carry the steerage passengers at a less cost? A. Our accounting does not go to that limit. Every accounting officer has his own estimate of how to make up cost. I don't know what would be a self sustaining rate for steerage passengers.

By Mr. Guiler:

Q. You think it should be somewhat higher? A. Yes; as compared with the first-class rate.

By Mr. Beers:

Q. Do you know, Mr. Drake, how the freight business of the other Central American roads going from ocean to ocean, compares in volume with that of the Panama Railroad? A. I have all the records.

5072

Q. Do you know approximately? A. Tehuantepec is very much more important.

Q. Than to the other two? A. Yes. And the Guatemalan has just been established recently within two years or so. An increase in facilities means an increase in the aggregate, so that the business is growing in all ways.

Q. So that the Tehuantepec carries more traffic than yours does? A. Very much more. They are fifteen hundred miles nearer San Francisco than we are. The railroad is only patronized by one or two lines, whereas, we have fifteen.

5073

Q. Tehuantepec is the longer line? A. Yes.

Q. How much? A. One hundred and seventy-three miles, and very much higher grades.

Hearing adjourned to January 27, 1913, at 11 A. M.

5074

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PAC-  
KETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5075

Before: Charles E. Pickett, Esq., Examiner.

New York, January 27, 1913.

Upon consent hearing adjourned to Monday, Feb-  
ruary 3rd, 1913, at 11 o'clock A. M.

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,

5076

against

HAMBURG-AMERIKANISCHE PAC-  
KETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

New York, February 3rd, 1913.

Hearing resumed pursuant to adjournment.

## Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the petitioner.

Messrs. Burlingham, Montgomery & Beecher, by Charles C. Burlingham, Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman, Esq., for Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq., for the Allan Line, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers, Esq., and Allan B. A. Bradley, Esq., for the Cunard Line, *et al.* 5078

Ralph J. M. Bullowa, Esq., for Russian East Asiatic Company, *et al.*

EDWARD O. THOMAS, recalled:

*Cross-examination by Mr. Bullowa:*

Mr. Bullowa: I wish to put in as an exhibit the Tenth Annual Report of the Canadian Northern Railway Company together with their map, as Defendant's Exhibit #18.

Q. Do you know Mr. G. Hannah? A. Yes.

Q. Do you know him to be the third vice president of the Canadian Northern Railway Company? A. So far as I have seen the report I do. I know his name is shown in the report. 5079

Q. Do you know Colonel Isaac Davidson? A. I have met him.

Q. And connected with the Canadian Northern? A. I know he is connected with the Canadian Northern.

Q. As land commissioner? A. Yes, as land commissioner.

Q. Do you know Mr. R. M. Horne-Payne? A. I have heard of him.

*Edward O. Thomas*

5080

Q. Mr. H. W. Harding? A. Yes.

Q. You know him as connected with the Canadian Northern? A. Yes, I do.

Q. Is Mr. Harding an officer or director of the Uranium Steamship Company? A. I do not think so.

Q. Was he an officer or director of the Northwest Transport Company? A. I do not think so.

Q. Or the Continental Line? A. I do not think so.

Q. Is Mr. H. W. Harding connected with the Uranium Steamship Company? A. Maybe, but I do not know what his connection is. On the letterhead he is shown as general manager.

5081 Q. In London? A. I do not know what his real connection is.

Q. In London? A. Yes, I think so.

Q. What is his address, Bond Court, Wallbrook, London? A. Yes.

Q. Where do you address the letters to Mr. G. Hannah to? A. Toronto.

Q. You have a contract with the Uranium Line? A. Yes.

Q. Is it guaranteed by any one? A. Yes, by Mr. Hannah.

Q. Do you have a contract with the Northwest Transport Company? A. Yes.

5082 Q. Was it guaranteed? A. Yes.

Q. By whom? A. Mr. Hannah.

Q. Your contract is general manager of the Uranium Steamship Company in New York? A. Yes.

Q. And with the Northwest Transport Company? A. Yes.

Q. Who do you correspond with regarding the management of the line? A. With nobody.

Q. Who do you look to? A. Mr. G. Hannah.

Q. At Toronto? A. Yes.

Q. So far as your superiors are concerned, who do you consider your earthly superiors in the management

of the Uranium Steamship Company? A. I can hardly say anything very important I might go to Mr. Hannah for information.

Q. That is, as far as you recognize a superior you recognize Mr. Hannah as such? A. I should say the man I remit the funds of the company to would be the man I would go to if any one.

Q. Do you write Mr. Hannah regarding the affairs of the line? A. I do.

Q. And if there are any matters of importance you refer them to him? A. We might.

Q. You have in the past referred to him any matters of importance? A. Yes.

5084

Q. If there is a dispute between the New York office and any of the branches would that be referred to him? A. It might be.

Q. Is it done? A. Possibly—I believe so.

Q. He arranges the work of the line in an amicable manner between the respective points? A. I did not know there had been any dispute between the other side and this side; they have had their own opinion and I have had mine.

Q. But if it is referred to anybody it is referred to Mr. Hannah? A. Yes.

Q. That is, he pours the oil on the troubled waters? A. There has never been any trouble.

5085

Q. He has decided the differences? A. No, he has never decided the differences; there have been none to decide.

Q. What has he done? A. Probably he has asked questions of the other side and I think he has asked me and I have given my opinion and the other side has given their opinion and it has been settled in favor of either the other side or this side. But, as a matter of fact, there has not been any dispute that is serious enough to amount to anything.

*Edward O. Thomas*

5086

Q. Why did you think it was necessary to have your contract guaranteed by Mr. G. Hannah? A. Because I did not know who the Uranium Company or the Northwest Transport Company were.

Q. Were you not rather afraid that the Northwest Transport Company did not have very much substance? A. I knew nothing at all about the company but I knew that any contract guaranteed by Mr. Hannah was absolutely good. It was just that much more collateral backing.

Q. Your contract was for one year? A. Eighteen months with a certain notice to be given.

5087

Q. You thought you needed a guarantee on that contract? A. I always take a guarantee.

Q. Did you ask for it? A. I think I dictated the contract myself and he was willing to sign it.

Q. Who did you negotiate that contract with? A. Just at that time I resigned my position with the company and was going into business for myself and Mr. Hannah exchanged a number of wires with me and finally we came together and he signed the contract I sent him.

Q. Did you think it was necessary to have a guarantee? A. I may have thought it was a good thing.

5088

Q. It is not usual for an employe or an agent to ask to have a contract guaranteed? A. I have always been cautious.

Q. When you were in the employment of the Hamburg American Line you did not ask for a contract then? A. I had no contract; I was very familiar with the line and knew all the officials. I wish I had had a contract with them now.

Q. What about the Atlantic Transport Line? A. No, I never worked for them.

Q. Did you have one with Vogemann? A. I had no contract, I was very intimate with their management.

*Edward O. Thomas*

5089

Q. Is not it a fact that you were afraid that the Northwest Transport Company was not financially responsible?

Mr. Guiler: I object to that question; it is not only incompetent but it is irrelevant and immaterial.

A. I knew nothing about the financial standing of the firm. I know the man is good and if he is willing to guarantee it I know it is good. I know nothing of the financial standing of the Northwest Transport Company.

Q. What about the Uranium? A. I was a little bit more satisfied—more easy from the fact that Mr. Hannah seemed to be connected with the company.

5090

Q. So you reached the conclusion that his contract was good without any guarantee? A. No, because I had reason to believe that certain interests which must be back of the company might not continue to be.

Q. You were afraid that if those interests were removed the company would not be solvent? A. It might not continue to be.

Q. So far as the contract with yourself was concerned you considered that it was necessary to have the guarantee? A. I think it a good thing.

Q. The Uranium Steamship Company also issued prepaid steerage tickets at the time? A. Yes.

5091

Q. These prepaid tickets were good for a year and you received the money on the prepaids? A. Yes.

Q. So that you were perfectly willing to allow the poor emigrants to accept a contract with the Uranium Steamship Line, when you yourself were not willing to accept it?

Mr. Guiler: I object; that is irrelevant, immaterial and leading.

Mr. Bradley: Who has no right to lead? It is cross-examination.



*Edward O. Thomas*

5092

Mr. Guiler: He is your witness.

The Witness: I do not understand the question.

Q. (Question read)? A. I knew at the time that any interests which were back of the Uranium Line would not break any contract made with any passenger; whereas a contract with me would mean nothing providing there was no business and no steamers running.

Q. How did you know that? A. I know enough to know that.

Q. You have a suspicion who these interests were?

5093 A. Yes.

Q. What is it? A. The interests which Mr. Hannah represents, but what they are, I do not know.

Q. All that you know about Mr. Hannah is that he is vice president of the Canadian Northern Railway Company? A. Yes.

Q. Who signed your contract on behalf of the Uranium Steamship Company? A. Mr. Hannah.

Q. Both on behalf of that and then guaranteed it personally? A. Yes.

Q. And your contract with the Northwest Transport Company? A. Yes.

Q. The line for a long while has not been very profitable? A. For quite a while it has been now.

5094 Q. You were not criticised when the line was unprofitable? A. No.

Q. The interests that are running the line did not seem to care very much whether they made a profit or none? A. They never seemed to worry. They seemed to have inexhaustible means at the back of them. They seemed to have plenty of money; they might have been a little slow in coming through with it.

By Mr. Bullowa:

Q. Isn't it a fact—

*Edward O. Thomas*

5095

Mr. Guiler: I object, that is a leading question; let him tell the fact.

Q. Isn't it a fact that certain interests which—

Mr. Guiler: I object to your characterization of the testimony as well as the fact of your putting a leading question.

Q. Is not it a fact that certain interests which appeared to have unlimited means have been back of this line and branch lines and these interests seemed to have operated the lines not so much for the profit they might make out of it but for some other reason?

5096

Mr. Guiler: I object to this question; it is incompetent and irrelevant.

A. It was very hard to get money from those interests. On a number of times they declined to remit.

Q. But they eventually remitted? A. Yes.

Q. They seemed to remit in spite of the fact that it was a losing proposition? A. They probably thought that it would probably work out into a good proposition.

Q. They have not been very elated when you have made profits, have they? A. Not very impulsive at any time.

Q. Nor depressed when you made losses? A. I have not been able to see it. I have never seen the owners of the line.

5097

Q. You don't know whether you have ever seen them or not? A. I am very certain I have not.

Q. How do you know that you have not seen them if you do not know who they are? A. I know whether I have seen them or not although I do not know who they are? You might be one of the owners but I can say now that you are not although I have nothing definite to go upon.

*Edward O. Thomas*

5098

Q. Is not it a fact that the line has not been run so much for profit as for some other object? A. I do not know; it would only be surmise on my part.

Q. What is your surmise? A. I do not think I am bright enough to surmise. It is impossible for me to surmise on a thing like that.

Mr. Guiler: You do not call any surmises evidence. I object to them.

By Mr. Bullowa:

5099 Q. You also know that Harding in London represents the Uranium Line? A. We write to Harding.

Q. That is the same Harding who is local secretary in London to the Canadian Northern Railway Company? A. It is.

Q. These are the only two people with whom you communicate with respect to the Uranium Steamship Company—those are the only two? A. Yes.

Q. Mr. Harding in London and Mr. Hannah in Toronto? A. Yes.

Q. So far as you know there is no amount outstanding? A. I do not think so.

Q. There are mortgages on the ships? A. There is a statement filed which shows considerable indebtedness.

5100

Q. Equivalent to the assets? A. More.

Q. More than the assets? A. I think so.

Q. From the statement you saw? A. As I remember, considerably more.

Q. So that unless there were certain interests—

Mr. Guiler: I object to the characterization. I do not think the witness is entitled to answer that sort of question.

Mr. Bradley: Unless it were for a certain interest of which you do not know the name the line could not be run.

*Edward O. Thomas*

5101

Mr. Guiler: That is a conclusion and the witness is not required to answer conclusions. He is here to testify to facts.

Mr. Bullowa: So far as the statement you have seen is concerned, the indebtedness of the line is greater than its assets?

The Witness: It was the last statement I saw.

Mr. Shipman: Have you ever been to Mr. Harding's office in London?

The Witness: I have.

Q. Have you ever been in the accounting department of the Uranium Steamship Company's office there? A. I have been all through the offices; I do not know whether I was in the accounting department. 5102

Q. Do you recollect whether the Canadian Northern Railway Company and the Uranium Steamship Company have one room for their accounting? A. I do not know; I was in Mr. Harding's private office, and I do not know what the lay-out is.

Q. You noticed the signs of the Canadian Northern and the Uranium Steamship Company there? A. I do not know that they had any Uranium Steamship Company sign up there.

Q. They have the Canadian Northern? A. Yes. It is the same office. 5103

Q. The Uranium Steamship Company has its office there, they must have the same sign? A. The Uranium Steamship Company does not conduct any business in London; they might have one up now.

Q. Harding is the local secretary of the Canadian Northern in London? A. I believe so, in that statement.

Mr. Bullowa: Has the Canadian Northern an office in New York?

The Witness: I do not know, but I think they have.

*Edward O. Thomas*

5104

Q. Do you communicate with it? A. No, I do not.

Mr. Shipman: Have you ever seen the signs at Halifax of the Uranium Steamship Company?

The Witness: I have never been to Halifax.

Mr. Guiler: According to this statement and according to your knowledge, the line, from 1908 to the present time, has not been very successful, taking it by and large?

The Witness: Taking it what?

Mr. Guiler: Taking it as a whole?

The Witness: I would call it successful.

5105 Mr. Guiler: According to the statements it has not appeared to be financially?

The Witness: It does not show a net profit.

Mr. Guiler: No net profit?

The Witness: No.

Mr. Guiler: Don't you figure it out that the greater part of that is due to the so-called "fighting steamers" of the other lines?

Mr. Beers: Objected to as leading.

The Witness: Most assuredly.

Mr. Guiler: That is true?

5106 The Witness: A greater part of our losses have been due to the "fighting steamers."

Mr. Guiler: They have been constantly going for how long?

The Witness: Almost ever since the line started.

Mr. Guiler: You would say that the New York Continental, the Uranium Steamship Company and the Northwest Transport Company have all experienced the so-called "fighting steamers"?

The Witness: Yes.

Mr. Guiler: Opposition by the conference lines?

The Witness: Opposition by the conference lines.

Mr. Guiler: You attribute a good deal to that?

The Witness: So far as the New York Continental is concerned the only opposition we had was the new Hamburg Line, which belongs to the Hamburg-American Line.

Mr. Guiler: That is the New York Continental you refer to, that the Northwest Transport Company had some experience—some opposition?

The Witness: Yes, when the Northwest Transport Company started passenger business.

Mr. Guiler: You are now the only independent line?

The Witness: I believe so.

Mr. Guiler: So far as your knowledge goes in regard to Mr. Hannah and Mr. Harding, you merely took Mr. Hannah's guarantee as a personal one and not as a member of any corporation? A. Entirely personal.

5108

Mr. Guiler: That is the guarantee on your contract?

The Witness: It was purely personal between Mr. Hannah and myself.

Mr. Guiler: You do not know whether he represented the Canadian Northern or any other line?

The Witness: I am sure he did not. He did it to satisfy me, personally.

Mr. Guiler: You felt it would be safe to have his name on the contract?

5109

The Witness: Yes.

Mr. Guiler: And in signing that contract he had no official position with any other line directly or indirectly—the Canadian Northern he did not represent?

The Witness: I am sure he did not.

Mr. Spooner: He has testified—

Mr. Bradley: I object to the question as leading—stating facts that are not in evidence.

Mr. Guiler: They are very much in evidence.

*Edward O. Thomas*

5110

Mr. Spooner: He is stating things that are not in evidence.

Mr. Guiler: To clear the matter up, I will put it this way; so far as your knowledge goes, the Canadian Northern was not at the back of the Uranium Steamship Company?

Mr. Beers: That is objected to as leading.

Mr. Spooner: I should say Mr. Hannah—

Mr. Shipman: I object to his testifying as to opinion.

Mr. Guiler: I was asking as to knowledge, not as to opinion.

5111

Mr. Shipman: He has no knowledge.

The Witness: I have further knowledge—I have been enlightened during the last month.

Mr. Spooner: I noticed that.

Mr. Guiler: Who has been enlightening you?

The Witness: Mr. Hannah.

Mr. Guiler: What was said to you?

The Witness: Mr. Hannah said that they had not one cent in it.

Mr. Guiler: Not a red cent in the Uranium Steamship Company?

5112

The Witness: No.

Mr. Guiler: So far as you knew, when your contract was made with the Uranium Line and the Northwest Transport Company, the Canadian Northern had nothing to do with the Uranium Line at that time?

The Witness: I did not know anything about it at that time.

Mr. Guiler: You know now—it has nothing to do with it?

The Witness: It has nothing to do with it—so far as I know now.

Mr. Spooner: Do you still know nothing about it?

The Witness: I have been told so. Mr. Hannah told me.

Mr. Guiler: That contract that you made with the guarantee had nothing to do with the question of whether the poor emigrant should put his money up here or not?.

The Witness: No.

Mr. Guiler: You felt that the emigrant would be protected anyway?

The Witness: I have always felt that any contract made by the company would be protected.

5114

By Mr. Bullowa:

Q. Except your own? A. I think that should be protected.

Q. You required a guarantee—

Mr. Guiler: That was merely a personal requirement on your own part?

The Witness: A personal matter between Mr. Hannah and myself.

Mr. Spooner: How long had you known Mr. Hannah before he guaranteed your contract?

The Witness: I do not know when I first met him, and I do not remember when he signed the contract.

Q. You remember the fact that he did sign the contract? A. Yes, I saw him sign it. 5115

Q. When was that? A. I do not know when it was dated, about four or five years ago or three or four.

Q. Where did he execute the guarantee? A. In the office.

Q. Where? A. At Toronto; that is the second contract he signed for me here in his office. I think the second contract I mailed him.

Q. How long had you known him before he signed the first contract? A. I do not know.



*Edward O. Thomas*

5116

Q. Had you known him at all? A. I had met him in New York.

Q. Had you known him at all? A. I do not remember; that was four or five years ago, I do not remember when my contract was signed.

Q. How long have you known Mr. Hannah? A. I have seen him since the line was running.

Q. I did not ask you that—how long have you been acquainted with him? A. I do not know.

Q. Ten years? A. No.

Q. Five years? A. No; under six.

5117 Q. When was your first contract guaranteed? A. I do not know.

Q. When? A. I cannot remember. I think I have had three contracts with the company and I do not know when one of them was signed.

Q. How near can you get to the date of signing of either of the three? A. The last contract I had with him, I believe, in May, two years ago, and it was signed by him—that is about as near as I can get to it. I showed Mr. Bullowa the contract.

Mr. Bullowa: He showed me the signature.

Mr. Spooner: Did you make the contract with him?

5118 The Witness: No, with the Uranium Steamship Company.

Q. But it was guaranteed by him? A. I put on the bottom of the contract, "I hereby agree to see that this contract is protected." I think that is what it is, and he rather resented it.

Q. Being asked to do it? A. Yes, as he had signed the contract—he asked me if I felt that there was any necessity for him to put his name on what was absolutely good and I said I did not know. I knew personally he was good and if he only signed it on behalf of the Uranium Line—although he had

nothing to do with it—I knew it would be satisfactory as far as I was concerned.

Q. He signed on behalf of the Uranium Line and you asked him to sign it on his own behalf? A. Just this clause to initial.

Q. Was this the last contract? A. Both of them.

Q. Set your memory to work. When did you first meet him? A. I could not say. When this line was first started it was operated by—not by Mr. Hannah, he had very little to do with it.

Q. You were going to say it was operated by—please continue? A. Mr. William McKenzie—I mean William Peterson; he was the old president of the company and we dealt with him direct, and Mr. Hannah may have come into the office once or twice with Mr. Peterson.

5120

Q. You never had any personal relations with Mr. Hannah? A. I have had talks with him, but what do you mean by “personal relations”?

Q. Have you had a conversation with him lately? A. Yes.

Q. Where was it? A. Toronto in his office.

Q. When? A. A couple of weeks ago.

Q. Did you go to him or did he send for you? A. I told him that I wanted to come up and see him.

Q. Was it about the testimony you were going to give here? A. No.

5121

Q. It was not about testifying in this case? A. I mentioned that to him that there were other important matters, particularly the Uranium, which was on the rocks and that was why I went up there.

Q. You spoke of his office; is that the office near the Canadian Northern? A. The Canadian Northern Railway Building.

Q. You met him before, in connection with the business of the Canadian Northern? A. Many times.

*Edward O. Thomas*

5122

Q. In the same place? A. Always in the same place.

Q. Always in the same place? A. Always in the same place.

Q. That is the office in the Canadian Northern, in Toronto? A. Yes.

Q. That is the main office? A. Yes.

Q. What was this conversation? A. That conversation—between Mr. Hanna and myself.

5123 Q. What was it about? A. We talked about the business in general. Do you mean with reference to appearing here? I can tell you that if you are driving at it. I told him I was coming to appear before this committee, and one of the questions—and one of the questions would be that they were striving to drive at, the ownership of the line and that I knew. I had testified that I knew nothing about it and I had been rather joked about it, and he said, "Well, you do not know about it," and I said, "I know and I do not want to know." He said, "You can take it from me and you say personally and assert that the Canadian Northern Railway Company has not one particle of interest in the Uranium Steamship Line." That was just about all of it. We had too many other matters to discuss.

5124

Q. About the Uranium business? A. Yes; the loss of the Uranium and replacing it.

Q. The loss of the steamship Uranium? A. That was what I went to see him about. They made up their minds not to send her to New York, and I said she should come to New York, and I sent a man up to Halifax with instructions to see she was brought down to New York, and I went up to sort of pacify Mr. Hannah.

Q. He was your superior? A. Yes. And I did not know whether he would resent it or not, so I thought I would prepare him.

Q. You regard Mr. Hannah as your superior? A. I regard him as a man I want to stand in well with.

Mr. Shipman: Is not the business of your line increasing right along, and haven't you got as much business as you can handle?

The Witness: I do not know whether it is. It may have decreased, but it is in better condition now.

By Mr. Shipman:

Q. Then you get all the business you can handle?

A. We could handle more.

Q. You are making money? A. I believe so.

5126

By Mr. Bullowa:

Q. You recognize Mr. D. B. Hannah, as operating manager of the Canadian Northern? A. No, but he may. I do not know what that term really covers, but to me if you wanted to go to any one to go to him.

Q. The only people you have met in connection with the Uranium Line, have been either officers or directors of the Canadian Northern, is not that right?

A. I believe so.

Q. At the time Mr. Hannah guaranteed your contract you knew him to be the third vice-president of the Canadian Northern? A. I believed I did.

Q. You mentioned William McKenzie's name; do you know him? A. No.

5127

By Mr. Bradley:

Q. Do you know of him? A. I do.

Q. Have you seen him? A. Yes.

Q. Up at Toronto? A. Yes.

Q. In a restaurant up there? A. I believe so.

Q. Have you ever said when you were testifying before that this was a place in Toronto? A. Yes.

Q. Who were you with? A. Mr. Vaughan.

Q. Is he connected with your line? A. He is Mr. Hannah's assistant or something.

*Edward O. Thomas*

5128

By Mr. Bullowa:

Q. When your line started about 1907-8, freights were dropping? A. Yes.

Q. It was about the climax of the depression? A. I do not know whether it was the climax.

Q. It was the depressed season? A. It was for freight.

Q. That lasted for some time? A. Yes.

Q. Since freight has been increasing, your line's earnings has been increasing? A. Yes.

5129 Q. So that it has been general market conditions that have helped the line? A. General market conditions have helped it.

Mr. Guiler: There are some other reasons besides that?

The Witness: A good many.

Mr. Guiler: More important than that?

The Witness: Well, general market conditions the most important, I should think.

By Mr. Bullowa:

Q. They have improved? A. They have.

Q. Materially? A. Yes.

5130 Q. And since they have improved you have been starting to make money? A. Yes.

Mr. Bradley: Is not the Canadian Northern Steamship Company, a subsidiary of the Canadian Northern Railway?

The Witness: Is not it what?

Mr. Bradley: A subsidiary company.

The Witness: I do not know, but I should imagine so.

Mr. Bradley: Do you know who the right-hand active man in the Canadian Northern Steamship, Limited, is?

The Witness: What, in Toronto?

Mr. Bradley: Yes.

The Witness: No idea. No. I have not met him.

Mr. Bradley: Has Mr. Hannah any authority over them?

The Witness: They refer to him the same as I do, I believe. I believe Mr. Hannah is connected with them.

Mr. Bradley: That is the Royal Line?

The Witness: Yes.

Mr. Bradley: And that line has been a member of the pool in the past?

The Witness: I think so.

5132

Mr. Guiler: We will not deny that; we have their agreement.

Mr. Beers: Do the steamers of the Uranium Steamship Company stop at Halifax?

The Witness: They do.

Mr. Beers: Have they invariably stopped at Halifax so long as you have represented the line in New York?

The Witness: They have been stopping there since they have been carrying passengers.

Mr. Beers: Do they land steerage passengers there?

The Witness: Yes.

Mr. Beers: Is there any other steamship company which carries third-class passengers to the port of New York, which also lands passengers at Canadian ports?

5133

The Witness: There is not so far as I know. One or two steamers might have put in there.

Mr. Beers: As at matter of convenience?

The Witness: Yes.

Mr. Beers: As a matter of regular schedules the Uranium Line is the only passenger line running to New York which lands passengers in Halifax or any other Canadian port?

The Witness: I believe so.

*Edward O. Thomas*

5134

By Mr. Bullowa:

Q. As I understand it, as far as you know, there is one share of stock of the Uranium Line? A. I do not know, I remember something like that.

Q. One share outstanding? A. I do not know; there might be three or four or five of them.

Mr. Spooner: It has been to qualify directors, perhaps?

The Witness: I imagine that is what it is for.

By Mr. Bullowa:

5135 Q. Possibly then, it is money lent to the company?  
A. I do not know.

Q. From the report, its indebtedness was a great deal more than its assets? A. I think so.

Q. Unless these nebulous interests—

Mr. Guiler: I object to that; I object to the characterization.

Mr. Bullowa: I do not know how to describe it—unless a certain interest protected the line it would be insolvent? A. It had to have money to run.

Q. It has been in that condition ever since it started?  
A. It never made money from the start.

Q. It never had any? A. I never knew.

5136 Q. It only had a few shares of stock issued? A.  
The stock never was sold.

By Mr. Guiler:

Q. What do you mean by saying that the line never made money from the start—when a short time ago you said it was making money? A. I mean to say that it did not make money at the start for quite a long while; for three or four years.

Q. But they have not been paying interest on stock—but they have no net profit? A. I do not know how they look after their accounts at all.

Q. They have not paid any dividends on the stock or made any net profits? A. I do not know how they deal with the funds of the company at all.

Q. Your knowledge as to the financial end of the Uranium Steamship Company and the Northwest Transport Company is very limited? A. I know nothing about it.

Q. Anything you have said has been hearsay? A. I know when a ship makes money.

Q. When a particular ship makes, but you do not know anything about the general results all around—each year? A. I can figure pretty closely.

Q. What I understood you to say was that the line had not been making money? A. No, up to two years ago.

5138

Mr. Guiler: Those persons you met connected with the Canadian Northern, you did not meet them as officials of the Canadian Northern, but merely in connection with the Uranium Line?

Mr. Bradley: I object to that as leading.

Mr. Guiler: You have seen Mr. Hannah. When you have, you have seen him as an officer of the Uranium Line?

Mr. Bullowa: I object.

Mr. Guiler: It is too late for an objection.

5139

Mr. Bullowa: The witness testified as far as he knew that Mr. D. B. Hannah was not an officer or director of the Uranium Steamship Company, Limited.

The Witness: That is correct.

Mr. Guiler: You stated Mr. Hannah signed the contract for the Uranium Company?

The Witness: He did. He might do that in the way that any clerk in my office might sign a letter.



*Edward O. Thomas*

5140

Mr. Guiler: And yet there might not have been any connection between him and the Canadian Northern by that fact?

The Witness, He signed the latter "Uranium Line by D. B. H." I felt he was not an officer of the company. I had seen the papers and had filed them.

Mr. Guiler: Mr. Hannah specifically stated to you that the Canadian Northern and the Uranium Steamship Company were entirely separate?

5141

Mr. Bradley: I object to that on the ground that it does not state the evidence of the witness as I recollect it. The witness said that the Canadian Northern was stated by Mr. Hannah not to have any interest in the Uranium Steamship Company.

The Witness: I do not understand the question.

Q. (Question read)? A. He stated to me that I could say positively that the Uranium Line—that the Canadian Northern Railroad had not one cent of interest in the Uranium Steamship Company. He further said that if I wanted any other evidence to that effect he might come down here and testify. He may have said "would."

5142

Mr. Spooner: I wish he would.

Mr. Guiler: You have stated here that the only persons you have met in connection with this business of the Uranium Steamship Company were connected with the Canadian Northern. You did not meet those persons as persons in the Canadian Northern, but as persons who had interests in the Uranium Steamship company?

The Witness: Or as representing interests in the Uranium Steamship Company, yes.

By Mr. Bullowa:

Q. In the building of the Canadian Northern, do you regard it simply as a coincidence that everybody you met in connection with the Uranium Line had interest in the Canadian Northern Line? Do you regard that as a coincidence? A. I never regarded it at all. After Mr. Hannah made that statement I believed him.

By Mr. Beers:

Q. Is not it a fact that the firm of McKenzie & Mann are known to be large stockholders in the Canadian Northern? A. I do not know that; I have heard it. 5144

Q. It is a matter well known to people on both sides of the Atlantic. It is a fact stated and recognized in financial circles that they are large stockholders in the Canadian Northern? A. My knowledge of financial circles is very limited and I have never heard it spoken of.

Q. Sir William McKenzie is president of the Canadian Northern? A. I believe so.

Q. Have you any knowledge as to any financial interest in the Uranium Steamship Line? A. No, I do not know.

Q. Never heard a word about it? A. No.

Mr. Shipman: Did not they build the Canadian Northern Railway? A. I believe so. I heard they did; at any rate, they are responsible for it. 5145

By Mr. Bullowa:

Q. So far as you know today the Uranium Steamship Company is insolvent? A. I do not know.

Q. You don't know that their indebtedness is greater than their assets?

Mr. Guiler: That is not what he said.

Mr. Bullowa: From the statements you saw?

*Edward O. Thomas*

5146

The Witness: Their assets were put down less than their liabilities. That is some time ago.

Q. How long? A. About a year ago.

Q. For the last year you have been making agreements—most for freight and with passengers for and on behalf of the Uranium Steamship Company, although if it was put to the test the Uranium Company could not have fulfilled their contract?

Mr. Guiler: I object.

The Witness: They could fulfill it.

5147 Q. If they are insolvent? A. They are not insolvent.

Q. If their indebtedness is more than their assets, isn't that insolvency? A. I do not think so.

Q. You do not consider a man whose indebtedness is more than his assets to be insolvent? A. I know a great many cases where a man who has indebtedness greater than his assets and yet he is not insolvent.

Q. Would you personally like to make a contract with a person in that position?

Mr. Guiler: I object to that.

The Witness: I have contracts with persons similarly situated at the present time.

5148 Mr. Bradley: Your feeling is that the contract with the Uranium Steamship Company would be protected despite the fact that its assets are less than its liabilities is due in some measure to the interests back of it?

The Witness: Entirely so. I know the interests at the back of it will make it good.

Mr. Guiler: You do not know what those interests are?

The Witness: No, I do not know who they are or what they are.

Mr. Bullowa: You know those people are of Toronto?

The Witness: I do not know.

Mr. Guiler: You know where to ask for money?

The Witness: We have not had to ask for money for so long that I do not know what they will say.

Mr. Guiler: You have been refused money at times and you have filled it yourself without the assistance of outside interests?

The Witness: We have been refused and go along somehow.

Mr. Bullowa: If Mr. Hannah does not represent the owners and you do not know who the owners are, who do you work for?

The Witness: The Uranium Line.

5150

Q. That has a few shares of stock? A. I don't know anything about that.

Mr. Beers: Do you know whether Sir William McKenzie is the owner of any obligations issued by the Uranium Steamship Company? A. I do not know.

Mr. Beers: Have you any opinion on that subject?

The Witness: Not the least.

Mr. Beers: Do you know anybody who is the owner of any obligations of the Uranium Company?

The Witness: I do not.

Mr. Spooner: Have you been warned then at times by parties in the Uranium Line not to disclose any information?

5151

The Witness: No, sir. I was told I could give all that I had.

Hearing adjourned to February 10th, 1913, at 11 A. M.

5152

## UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

---

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

---

5153 Before: Charles E. Pickett, Esq., Examiner.

New York, February 10th, 1913.

Upon request of Senator Spooner, the hearing was  
adjourned until Friday, February 14th, 1913, at 11  
o'clock, A. M.

5154

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

5155

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5156

New York, February 14, 1913.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
the Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles C. Burlingham, Esq., for the Anchor Line,  
Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for Norddeutscher Lloyd, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., and Allan B. A. Bradley, Esq., for the Cunard  
Line, *et al.*

5157

Ralph J. M. Bullowa, Esq., for Russian East Asi-  
atic Company, *et al.*

Mr. Guiler: At the request of Senator Spooner the  
matter is adjourned to 2:30 P. M.

Hearing adjourned to Friday, February 14th, 1913,  
at 2:30 P. M.

5158 UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,	}
Petitioner,	
against	
HAMBURG-AMERIKANISCHE PACK- ETFAHRT - ACTIEN - GESELL- SCHAFT and others,	
Defendants.	

5159

Before: Charles E. Pickett, Esq., Examiner.

New York, February 14th, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the  
Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles C. Burlingham, Esq., for the Anchor Line,  
Ltd., *et al.*

5160 Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for Norddeutscher, Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
for the Allan Line, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., and Allan B. A. Bradley, Esq., for the Cunard  
Line, *et al.*

Ralph J. M. Bullowa, Esq., for Russian East Asi-  
atic Company, *et al.*

HORACE ROBERT BOWDEN-SMITH, sworn on behalf of the defense, testified as follows:

*Direct-examination by Mr. Shipman:*

Q. Are you employed by the Atlantic Transport Line? A. I am.

Q. In what capacity? A. I am purser.

Q. Do you run on regular trips between England and this country, New York? A. Yes, sir.

Q. Have you recently visited the office of the Canadian Northern Railway in London, England? A. I have.

Q. Where is that located? A. In Wallbrook, E. C. 5162

Q. Is there any name to the building at which it is located? A. Bond Court House.

Q. Did you look to see whether or not the office of the Uranium Steamship Company, Limited, is located there also? A. I did.

Q. In this same building? A. Same building.

Q. Did you find located there, the office of the Uranium Steamship Company? A. Yes, I did.

Q. How did you know this when you visited the building? A. On the directory board.

Q. What did you see on this directory board in regard to the Uranium Company and the Canadian Northern? A. At the lower part of the board, third floor, on which it stated the Canadian Northern Railway Company, accountants' department, and the Uranium Steamship Company, Limited. 5163

Q. How did the sign read? A. "The Uranium Steamship Company, Limited" first, the "Canadian Northern Railway" below.

Q. And underneath that? A. "Accountants' Department."

Mr. Spooner: Does that refer to each, or both?

The Witness: No, apparently for the Canadian Northern Railway Company.



5164

*Horace Robert Bowden-Smith*

Mr. Guiler: I want to put down a general objection to this testimony as being immaterial, irrelevant, and I move to have it stricken out.

Q. The sign, as I understand it, you saw on this directory in that building read: "The Uranium Steamship Company, Limited" first, and then "Canadian Northern Railway Company" underneath, and then read underneath that, "Accountants' Department"? A. "Accountants' Department" in brackets.

Q. So that these words "Accountants' Department" referred to both of these?

5165

Mr. Guiler: Now, I don't think that is a proper question; he can say what he saw there.

Q. Preceding these two names, the Uranium Steamship Company, Limited, and the Canadian Northern Railway Company, were the words "Third floor"? A. Third floor, yes.

Q. Was this building principally occupied by the Canadian Northern Railway Company, do you know? A. I should think the whole of it.

*CROSS-EXAMINATION by Mr. Guiler:*

5166

Q. Did you go through the building, Mr. Smith, to find out whether it was all occupied by the Canadian Northern? A. I went through the building.

Q. Did you find out whether it was all occupied by the Canadian Northern? A. On either side of the entrance were two glass plates with the words "Canadian Northern Railway Company," I think.

Q. What drew your attention to the Canadian Northern Railway being there; did you go there to see any official of the Canadian Northern? A. I just went down to look at the building.

Q. You were requested to look at it, were you? A. Yes.

Q. And you didn't go through the building, did you?  
A. Yes, I did.

Q. And what did you notice inside; the names of any other companies inside? A. Several other railway companies and the Canadian Northern Steamship Company, Limited.

Q. Were there any other business houses in there at all that you noticed in either signs? A. No.

Q. Just simply it was a railroad building, occupied by various railroads? A. Yes.

Q. What other railroads did you notice there? A. Several other Canadian railroads.

Q. Can you name some? A. I cannot keep their names in mind. 5168

Q. In addition to the Canadian Northern Railway Company there were several others? A. Various departments of the Canadian on each floor.

Q. But there were other railroads besides the Canadian Northern occupying the building there? A. Yes, I believe they were Canadian railroads.

Mr. Spooner: Were there any other than the Canadian and other Canadian railroads occupying the building?

The Witness: I think not.

Mr. Guiler: I understand you to say there were several other Canadian railways occupying the building? 5169

Mr. Spooner: He says now that there were no railway companies except Canadian companies, including the Canadian Northern, occupying the building, as I understand it.

Mr. Guiler: That is correct?

The Witness: Yes.

By Mr. Guiler:

Q. Now, you did not enquire in the accounting department to find out whether the accounting depart-

1  
7  
2  
3

5170

*Horace Robert Bowden-Smith*

ment of the Canadian Northern was the accounting department of the Uranium Line? A. No, I did not.

Q. You did not enquire there as to whether the Uranium and the Canadian had any connection? A. No, sir.

Q. All that you noticed was that the sign Uranium was on one board, and the other was underneath it?

A. On two boards; there were two boards on either side of the porch. Each board was a facsimile, and had the same floor from left to right.

By Mr. Spooner:

5171

Q. Were the names of the occupants of the different departments on the doors; on the doors of the various offices in the building? A. Yes.

Q. Did you see Canadian on the door inside of the building, accounting department? A. On the third floor.

Q. Whatever floor it was? A. Yes.

Q. What names did they contain? A. Canadian Northern Railway Company, accountants' department, that is all.

Q. Did you find any other accounting department? A. No.

5172

*RE-DIRECT EXAMINATION by Mr. Shipman:*

Q. Will you look at this paper here and state whether or not you verified what is stated in that paper, according to what you saw in this building in regard to these signs? A. Yes, sure.

Q. Does it correctly state what you saw there? A. Absolutely.

Mr. Shipman: I offer that paper in evidence.

Mr. Guiler: I object to the paper going in; I don't think it is the proper way.

*Horace Robert Bowden-Smith*

5173

Mr. Spooner: Using that as a memorandum, let him state what was on each door.

Mr. Shipman: Do you want me to go through the entire memorandum.

Mr. Guiler: Let me see the memorandum.

Mr. Shipman: It is nothing but an analysis of the signs, that is all.

Mr. Guiler: I will let that paper go in subject to my objection as to its materiality.

Marked, Defendants' Exhibit No. 19.

*DIRECT-EXAMINATION by Mr. Beers:*

5174

Q. Mr. Smith, when you went through the building, Bond Court House, did you have in your hand this paper, Defendants' Exhibit No. 19? A. No, I did not have it.

Q. Did you have it with you? A. No, I did not.

Q. Well, did you verify this paper, as containing an accurate statement of the signs in that building? A. Yes.

Q. Did you make these notes when you went through? A. No, I did not make the notes.

Q. Have you verified this paper, as containing a correct statement of the signs in the building? A. Yes, I had a man with me who had that paper, I did not have it myself.

5175

Q. And you verify it as containing the correct statement of the signs? A. Yes.

*RE-CROSS EXAMINATION by Mr. Guiler:*

Q. Then this is made up from a memorandum that someone else made, Mr. Smith, who was going around with you? A. A man who had that paper or either one very much like it; it may have been a copy.

*Horace Robert Bowden-Smith*

5176

Q. Did you examine all of these signs, while you were going around there and notice that there were four windows on the ground floor and three windows on the first floor? A. Yes, sir.

Q. Did you examine floor by floor, and examine every sign that was on there yourself? A. Yes, sir.

Q. The other man who was with you, took the notes down as you went around, did he not? A. Yes.

Q. How soon did you compare—he had a copy of that with him; you went over it as you went along? A. Yes.

5177 Q. But you didn't enquire in any of the offices as to whether the signs on the building were an accurate description of what companies were inside? A. I made no enquiries.

Q. So far as you know, those might be old signs, which did not accurately indicate who was inside, or they might not; is that right? A. Old signs.

Q. Might be old signs that had been left on the building? A. It might have been, though I doubt it.

Q. As far as your knowledge goes you don't know? A. As far as my knowledge goes.

Q. You—it might as well be that, or not? A. Yes.

Mr. Spooner: If you will prove that they are old signs, we will admit it.

5178

Mr. Guiler: I think that is up to you.

Hearing adjourned to Friday, February 21st, 1913.  
at 10:30 A. M.

## UNITED STATES DISTRICT COURT,

5179

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5180

New York, February 21st, 1913.

Upon request of Mr. Shipman the hearing was adjourned until Friday, February 27th, 1913, at 11 o'clock A. M.

5181

5182

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
- Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5183 Before: Charles E. Pickett, Esq., Examiner.

New York, February 27th, 1913

Upon request of Mr. Shipman the hearing was ad-  
journed until Wednesday, March 5th, 1913, at 11  
o'clock A. M.

5184

## UNITED STATES DISTRICT COURT,

5185

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG-AMERIKANISCHE PACK-  
 ETFAHRT - ACTIEN - GESELL-  
 SCHAFT and others,  
 Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5186

New York, March 5th, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the petitioner.

Messrs. Burlingham, Montgomery & Beecher, by Charles C. Burlingham, Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq., for the Allan Line, *et al.*

5187

Messrs. Lord, Day & Lord, by Lucius H. Beers, Esq., and Allan B. Bradley, Esq., for the Cunard Line, *et al.*

Messrs. Choate & Larocque, by Nelson Shipman, Esq., for Norddeutscher Lloyd, *et al.*



HERMANN WINTER, recalled on behalf of the defendant:

*Direct-examination by Mr. Beers:*

Q. Am I right in recalling that when you testified at an earlier stage of this case that you said you had been in the steamship business since 1885? A. Yes, since May 1885.

Q. Please state in a general way, what the nature of your steamship business has been since that time? A. I was—

5189

Q. In what company and what were your duties and experience, including the nature of the capacity in which you were engaged? A. I entered the service of the Norddeutscher Lloyd in May, 1885, as an employe and gradually worked my way through all the departments. Through the first-class, second-class and third-class, until I was in charge of the office. I became their agent here and subsequently manager of the office and then manager of the Norddeutscher Lloyd under the supervision of Mr. Schwab and practically having full power for the company and for the firm, to conduct their business here.

5190

Q. After your connection with the Norddeutscher Lloyd what else did you do? A. I severed my connection with the Norddeutscher Lloyd in April, 1911, and joined the Cunard Steamship Line.

Q. Are you familiar with the meetings of those interested in the steamship lines held in New York and known as the North Atlantic Conferences and Continental Conferences? A. Yes, thoroughly.

Q. Have you been familiar with them? A. I have been practically at all of the meetings of the Continental Conference and the Mediterranean Conference since 1888, as an active member and as chairman of many of the committees.

Q. I am speaking now particularly as to the meetings held in New York? A. Yes, in New York.

Q. Not of any meetings or of any arrangement made in Europe? A. No.

Q. And your testimony applies to that? A. Yes.

Q. I call your attention to Rule 9 stated in circulars issued by both the North Atlantic Passenger Conference and the Continental Conference to their representatives: "Agents are prohibited from selling passengers tickets under false representations as to the line or the route by which the passenger is to be transported." Are you familiar with the conditions which prevailed and led to the adoption of that rule and if so state what they were? A. The rules are the natural result of a desire to eliminate undesirable elements.

5192

Q. When you say undesirable elements what do you mean? A. In the agency field—or those attempting to do a steamship business. Prior to the regulation of this business irresponsible persons undertook to sell steamship tickets to the various nationalities. They issued their own orders and collected the monies.

Mr. Guiler: I think the witness ought to state facts instead of characterizing undesirable elements.

Mr. Beers: Tell us what they did.

Mr. Bullowa: Yes, and then we can judge for ourselves.

5193

The Witness: Taking in their own orders and collecting the money.

Mr. Beers: That is the agents? A. Yes, the persons doing steamship business. They collected the passenger's money bringing a number of passengers here. They held them in boarding houses or lodging houses as long as they could; they fleeced them as long as they could and then brought these people to the steamship lines for the best price they could get for them. In many cases the agents—or so-called agents—would act as bankers or collectors for these people and when

5194

they secured quite an amount of money they disappeared and ultimately the blame fell on the steamship companies, the passengers assuming that the steamship companies had authorized these people to act for them. With the object of eliminating this feature and practically making the agents responsible and offering an element that the people could deal with safely, this rule was inaugurated.

5195

Q. Do you personally know of instances of oppression of emigrants such as those you have been speaking of in a general way? A. Why, yes, I think one instance I took part in was the case of Henry Rice, who ran a boarding house and held a license from the mayor's office as a licensed runner and he hung around in front of the steamships. He was selling tickets—he had correspondents and sold tickets—

By Mr. Guiler:

Q. When was that? A. As late as 1892, 1893, 1894, 1895. Four, I think.

5196

Q. Excuse me for interrupting you? A. Certainly. We had been trying to put him out of business. One Saturday afternoon in October, 1894, the agent of the Red Star Line adjoining the Norddeutscher Lloyd office called upon me and said there were eleven Polanders who desired to sail by the Norddeutscher Lloyd. They held tickets from Rice, and the man, after keeping them eleven days trying to put them on the Prince Line, but the people knowing the Norddeutscher Lloyd had four funnels and four propellers they objected to being put on a steamer with only one funnel and one propeller. I questioned these men and found that they would serve as good witnesses and I arranged with the district attorney's office to have them appear the following morning—the city—the state district attorney. I put the men in charge of an agent here to look after them and take care of them,

board them and feed them and then have them appear before the grand jury the next morning. Rice was indicted on three counts. On his first trial he was acquitted and he was convicted on the second, and he was remanded for sentence for a week later before Judge Goff. I appeared before Judge Goff on the day fixed for sentence and explained to him what our experience had been and asked in justice for the many emigrants who had been defrauded that he be given an exemplary sentence. I had known Judge Goff and I gave him my opinion and told him why we had not been able to prohibit this before and finally the district attorney doubted whether he would get more than six months, but Judge Goff sentenced him to four years and six months. It served to clear out the whole field. That is one of possibly many instances.

5198

By Mr. Beers:

Q. Was that a type of the experience which you met with prior to the adoption of this rule? A. Yes.

Q. Was this agent whom you refer to—was he one of the agents who represented any of the lines? A. No, indeed not. He was an element we desired to eliminate.

Q. Will you describe more fully, please, more clearly the custom—the practice which you say these agents who have not been appointed by the lines adopt in reference to selling transportation to third-class passengers—what do they do? A. They would take and sell tickets of their own issue. Forms not authorized by the steamship lines.

5199

Q. What would these tickets show? A. They would be drawn by their correspondents in the interior—in the industrial centres—on the so-called agents in the city asking for transportation from New York to Bremen or from New York to Liverpool.

Q. Would it designate the line? A. No; merely give a date of sailing, and then a price from say New York to Liverpool.

*Hermann Winter*

5200

Q. Just an order for transportation? A. Yes, third class transportation.

Q. Without designating the line? A. Yes, without designating the line. They would charge the highest price and would endeavor to transport the people by the cheapest route.

Mr. Spooner: Pocketing the difference?

The Witness: Yes, pocketing the difference. That is what Rice was doing for years. Collecting the highest rate and sending them by the cheapest rate; collecting the highest rate for the Norddeutscher Lloyd and then sending them by the Prince Line, which never went to Bremen.

5201

Mr. Beers: You mentioned the danger of loss by defalcation amongst agents not representing steamship companies. Were there of your own knowledge any instances of this?

The Witness: Oh, yes.

Q. To the third-class passengers? A. Yes. In the foreign nationalities these so-called agents have always acted as bankers collecting the money from the people, passengers money and the savings of emigrants and when the time of departure comes they had disappeared and the money was lost. The Austrian Consul referred to his enquiry which showed that in one year there had been a loss in Pittsburg alone of \$1,800,000.

5202

Mr. Spooner: Among the emigrants?

The Witness: Yes.

By Mr. Beers:

Q. Will you state, please, if you know, what precautions were taken by the steamship companies in appointing and maintaining agents who are authorized to sell tickets by these lines? A. The steamship lines investigate the character of these people, their reliability and then bond them.

Q. In every case? A. Yes, a security bond to the steamship people. This bond is necessary to secure the agency. If an agent misrepresents the sale of a ticket—the time or the steamer or overcharges the passenger in any way it is taken into account immediately. For his first offense he is warned—for the second offense he is penalized and for the third offense he is put out of business. We cannot have him. His misdoings reflect upon the steamship companies.

Q. From your experience in the steamship business can you state whether there is any other way in which third-class passengers can be protected against extortion and imposition except by control of the agents?

5204

A. I know of none. I know of none. We have tried various methods but none were successful as this one has been.

Q. Under the laws of the State of New York licenses and bonds are required of these agents? A. It was done at the suggestion of the steamship lines made to the Department of Labor.

Q. That is the New York Department of Labor? A. Yes. The department investigated many of these instances of losses by the emigrant passengers and conferred with the steamship lines and at one of our conferences we suggested that the agents also should be bonded and put under a license.

5205

Q. You suggested to those who were framing the act? A. Yes. Miss Galliher who was active in this work drafted an order and Judge Gault corrected her draft on our behalf—substantially in line with our suggestion.

Q. But the present provision of the New York law regulates the agents substantially in line with the regulations of the steamship lines which drafted them?

A. Yes, they required that no person should act as an agent unless he is bonded by the steamship lines. He must have the written permission of the steamship lines.

5206

Q. What is the regulation of the lines governing their agents with respect to any rebate by the agent to the passenger? A. They prohibit any rebates. In fact our rules predate those of the Interstate Commerce Commission. The resolutions have been passed by the Interstate Commerce Commission but we had them prior to the Interstate Commerce Commission, long before that was done the steamship lines had it in the same way.

5207

Q. Have the steamship companies adopted practically the same as the Interstate Commerce Commission? A. Yes. Since 1879. The agent is penalized for it if he is caught.

Mr. Spooner: The rebate comes out of the commission the agent gets?

The Witness: Yes.

Mr. Beers: When you are speaking of rebates, are you referring to the agents dividing his commission with the passenger?

The Witness: That is a rebate.

5208

Q. Prior to the supervision of the agents by the lines, was there any rebate. A. Oh, yes, not only that but these agents would come to the line with a batch of passengers and ask \$3.00 commission from one line and then take the same batch of passengers to a weaker line and ask for \$4.00 and in that way demoralize the rates and demoralize conditions and generally disrupt business. It made rates unstable and business unstable.

Q. You have stated that these agents here not appointed by the steamship companies sold transportation without designating the steamer which was to carry the passenger. Have you stated in full what the agents would then do with the passengers after they arrived here in New York? A. Yes, and as I say they charged the highest price possible and then sent the passenger to the line with the lowest rate—peddle

the passenger and pocket the difference. Then the lines established a uniform rate. But they sold tickets at the higher rates and peddled the passengers out to the cheaper lines deducting the difference and defrauding them.

Q. Are you familiar with the agency conditions to rates on westbound passenger business? A. Yes—on the other side,

Q. And in respect of prepaid? A. Yes.

Q. And the rules as to the regulation of agents by the steamship companies doing westbound business?

A. The same conditions prevail. An agent would sell transportation from say Bremen, without designating the line. The emigrant comes to Bremen and applies for transportation. None of the lines having any transportation or knowledge of the order, possibly he would stay there a few weeks until letters reached his relatives here and they found out what was doing and then frequently the agent here who issued the prepaid order would come up to a line and have the order covered.

5210

Q. Have you personally investigated this matter in Bremen? A. Yes.

Q. On the ground? A. Yes, on the ground.

Q. What effect have the practices of unauthorized agents had in the volume of immigration? A. They naturally retarded immigration. They misled it too.

5211

Q. Can you state from your experience what difference the enforcement of Rule 9 makes to the passenger—the third-class passenger—in respect to the matter of overcharging? A. It prohibits any overcharge of a passenger whatsoever. Any offense of that sort is immediately taken up by the line and the agent who indulges in it is penalized and put out of business.

Q. That is covered by the bond? A. Oh, yes, and in addition here in the city we have a cash deposit



5212

from every agent which also guarantees us against any offense of that sort because his fine is taken out of there and he must make it good before he can continue in business.

Q. Does that control over agents also protect the passengers as to the wrong steamer and the wrong route? A. Oh, yes.

5213

Q. Does the control of agents enable the line to maintain any supervision in respect of the emigrant boarding houses in New York and if so what provision? A. Why, the emigrants coming here and staying here—prior to embarking if they have any complaints as to overcharging we immediately investigate them. If we find a boarding house or transfer agent indulging in that practice, we notify the agent who sent the immigrant and instruct him not to send any further passengers to them and stop their business.

Q. From your experience is it your practice that the agent in the interior directs the emigrant to a boarding house here? A. Yes, he usually directs them to a boarding house or a lodging house here.

Q. And by maintaining a control over the agent you control the man here? A. Yes, as far as possible.

5214

Q. What have you to say as to your control of the transfer agents handling steerage passengers' baggage—through your agents—your control through your agents? A. We try the same thing—if we hear of an overcharge the Transfer Company is taken to account through our agents.

Q. You look after the immigrant? A. Yes. Look out for his board, and his care and his baggage.

Q. Have the steamship companies any financial interest in the running of boarding houses or transfer companies which carry the steerage passengers' baggage? A. No steamship to my knowledge.

Q. Merely for the protection of your passengers? A. Yes.

Q. You have no financial concern with them? A. None whatever.

Q. You testified previously in this case, Mr. Winter, as I recall it that you were familiar with the various arrangements made between the different steamship lines in respect of the rates and management of agents. At about what date did those arrangements between the lines commence? A. As to rates?

Q. As to rates and management of agents? A. 1891-2. That is prior to that time we had differences in our conferences, we had understandings and agreements with reference to rates only. We found that was the best way to conduct the business, but the general agreement I presume you refer to amongst the lines abroad began in 1892, as a result—

5216

Q. When you say the best way just what do you mean—the most profitable way? A. It insured greater stability of the rates and better conduct of the business if we understood how each was conducting his business, what rates he was charging and what methods he was pursuing.

Q. From your experience in the steamship business can you say whether it is possible under present conditions to maintain a passenger line from Europe to the United States which shall comply with the requirements of the statutes in England and in the United States and with the demands of the public, unless the passenger rates are practically stable? A. No, you cannot.

5217

Q. Do you mean to testify that it is not possible to maintain practically stable rates? A. It is possible that—

Q. It is not possible to comply with the present requirements of the statutes and the demands of the public? A. Unless you have stable rates.

Q. From your experience in the steamship business can you state whether it is possible to have practically

5218

stable rates without some understanding between steamship companies? A. I should say no. All of our agreements—all of our understandings have always been for the rate. Every rupture we have had has practically had a tendency to bring us together again with a view of establishing stable rates and stable conditions. Without them we cannot favorably conduct the business.

5219

Q. Will you state how the steerage rates at the present time compare with the steerage rates before there were understandings or agreements between the lines to which you refer? A. They differ slightly in proportion to the better service that is rendered.

Q. So far as merely the amount is concerned how do the average prevailing rates at the present time compare with the average prevailing rates for steerage passengers say in the early '80's? A. Slightly higher.

Q. What relation does that advance bear to the difference in what the passenger gets? A. The passenger receives a good deal more in transportation today for his rate than what he got twenty years ago or fifteen years ago.

5220

Q. Has there been any decided change in the quality and conditions of the services as far as the third-class passengers are concerned during the last twenty years? A. Oh—decidedly.

Q. From your experience in the business will you state whether that improvement in the service would have been possible without the maintenance of stable rates? A. It could not have been. It is acknowledged by everybody in the business that the maintenance of stable rates has led to the improvements in our service—larger and faster boats, better service, better accommodations. That applies to all classes, first, second and third.

Q. When you say "our service" do you mean it to apply generally? A. Yes, the entire trans-Atlantic service.

Mr. Guiler: The Conference Line's service?

The Witness: Yes.

Mr. Beers: Will you state whether the steerage rates now prevailing on the North Atlantic Trunk route between Europe and the United States are in your opinion reasonable?

Mr. Guiler: Objected to as calling for a conclusion.

The Witness: They decidedly are.

5222

Mr. Guiler: I ask to have the answer stricken out.

Q. In your opinion, Mr. Winter what would be the effect of entirely unrestricted competition between the North Atlantic Passenger Lines in respect to passenger business? The survival of the fittest and strongest? A. Protracted rate war would ruin the smaller and weaker companies.

Q. What effect would such unrestricted competition have on the establishment of new lines in the business—would it invite it or discourage it?

Mr. Guiler: I think that is merely conjecture.

5223

The Witness: Certainly discourage it. No prudent man would go into the establishment of a new line with a demoralizing rate war.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. You spoke about Rule 9 of the conference agents. Rule 9 had in addition to the purpose you mentioned another purpose namely that agents are prohibited

5224

from booking passengers by any steamers except those on the lines, members of the Continental, the Mediterranean and the North Atlantic Conferences, unless the conference gives an expressed permission in writing. The purpose of that was not to represent outside lines?  
A. Yes.

Q. If they represented the Conference Lines they could not represent any one else on the outside? A. Oh, yes, that is the restriction every employer places upon his employee—you shall not work for any other person.

5225

Q. That was the restriction the Conference Line placed upon its agents? A. The lines understood it—in the industrial centres—

Q. I just asked you a specific question?

Mr. Bullowa: He has a perfect right to explain his answer.

Mr. Beers: You can ask it differently.

Mr. Guiler: I do not want to cut him off in anything he wants to say but I do not know about the industrial centres. Why didn't you bring it out?

Mr. Beers: I do not know what Mr. Winter has in his mind.

5226

The Witness: I just want to tell you why I made that remark.

Mr. Guiler: Go ahead?

The Witness: We bring them up certainly in our business—we teach them the business and when we have done that we do not want anybody else we do not know to come in there and avail themselves of our services and of our experiences.

Q. You do not want them to go to anybody else?

A. Exactly—just as any employer does not want any person he has brought up in his business to go to others and give them his experience.

Q. Now Mr. Winter, was not it your experience that the conference lines as often as possible took away the agents from the outside lines—good agents—and made them conference agents? A. No, we did not take them away but an agent controlling any kind of a business saw that the greater opportunity was with the regular lines and he applied for the agency. General experience showed him that if for the outside line he could do a considerable amount of business he immediately realized that with a number of lines and a suitable business he could do a great deal more and he applied for the agency.

5228

Mr. Guiler: The question was put to you in an investigation in the house charges. In an investigation in house charge 543, page 1416 by Mr. Hawley: "Q. Have you ever made any overtures to successful agents of the Uranium Line to get them to withdraw their ticket brokerage business and take up yours? A. I have not. But if I found in any place, or if my traveler found in any place, a man who was doing a successful business I should consider him as not fulfilling his duties if he did not try to get that man's services for us also. It is a plain business proposition"? A. Exactly.

Mr. Bradley: Why didn't you read the rest of the case?

5229

Mr. Guiler: That is all of it.

The Witness: Exactly if I find a man in any place doing business I am going to try and get his business.

Mr. Guiler: You did not want him to get away from you?

The Witness: If I have an agent whom I have educated up in the business and on whom I have spent a good deal of money I do not propose to have somebody else whom I do not know and who is inimical to us come in and avail himself of his services and cut into our business.

*Hermann Winter*

5230

Q. You object to one in your business representing an outside line? A. Yes.

Q. You want him solely in your business? A. Yes.

Q. That Rule 9 was used to limit the number of agents representing the Uranium Line? A. No. It gave them the choice.

Q. Gave them the choice? A. Yes; if he preferred to work for the Uranium Line in preference to working for a number of others he had the choice.

Q. Didn't you find a number of cases where agents represented the Uranium Line in addition to representing your line? A. Yes.

5231

Q. And in all cases of that kind the agents were disqualified by the Conference Line? A. Yes, yes—they were not disqualified—they were given the choice.

Q. You said yes just now and you said in your previous testimony that there were "quite some cases"—I think I am using your exact words? A. I was speaking about the Chiavone and Zotti cases.

Q. What do you mean by disqualified? A. The agency of the line he held was taken away from him.

Mr. Spooner: The Zotti case had nothing to do with the Uranium Line.

Mr. Guiler: He was one of the agents disqualified for representing an outside line.

5232

The Witness: He was doing the kind of business we objected to any agent doing.

Q. And the Chiavone case. He was disqualified for representing the Uranium Line? A. No. An outside line—the Italian, I think.

Q. Anyway he was disqualified under that rule? A. Yes.

Q. For representing some outside line? A. Yes.

Mr. Spooner: Was that all he was disqualified for?

The Witness: And for irregular practices also.

Mr. Guiler: That case is in the record already.

Q. That Rule 9 was used in addition to Minute No. 22—you are familiar with Minute No. 22—that was used in order to react against outside competition? A. I should say so.

Q. That is in addition to putting on fighting steamers and that Rule 9 was enforced very frequently against agents of the Conference Lines in order to prevent them representing outside lines or slipping away from the conference? A. Yes, lines inimical to us, yes.

Q. In fact that matter was taken up in Minute No. 22 which dealt with the competition of outside lines. (Reading.) "The following cable was despatched by unanimous consent from Secretary Peters to Secretary Sandford with the view of the New York Conference taking prompt action to discipline all agents in the states transgressing conference rules, viz: "Referring your last cable Atlantic Conference Lines are unanimously agreed that under present conditions it is highly essential that the conference regulations shall be strictly enforced against agents and request New York Conference act accordingly and in cases of doubt refer same to arbitration." That is in line with what you said? A. Yes. 5234

Q. You used Rule 9 in regard to outside competition? A. Yes. 5235

Q. Are you familiar with Lozantcheff Freres? A. You have not got the name right.

Q. Yes I have. I show you Petitioner's Exhibit No. 1394 in which it says: "If the Cunard Line are sure that the passengers mentioned in G 518 and 529 from Lozantchoff Freres were booked for the N. W. T. L. the Red Star Line propose to disqualify them." That was on the complaint of the Cunard Line? A. That was on the other side. We have no knowledge of that.



5236

Q. If that is so it is simply carrying out the effect of Rule 9? A. Oh, yes.

Q. The effect of Rule 9 was like a sword and a shield to the lines, the members of the conference?

A. I should think it may be.

Q. It was? A. I should think it may be.

Q. This case that you have mentioned of fraudulent agents—Rice—this was in 1892 or so? A. It began all the way up there.

Q. How long would you say this practice existed?

A. They were in force before I was in business. Rule 9.

5237

Q. What? A. All these rules—

Q. I was referring to the fraudulent practices? A. They stopped them. They practically brought the lines together.

Q. I was asking particularly the length of time they had existed from? A. I started in 1885. They existed when I entered the steamship business and the tendency of the conference was to eliminate them.

Q. I am trying to get the length of time these practices existed so as to just know when they began and when they terminated? A. An effectual stop was put to them in 1892, when we started our agreements but even after that they existed to some extent naturally.

5238

Q. Your idea would be that the agents show wisdom in representing a number of lines and binding themselves to represent the Conference Lines and not seek the outside lines? A. For instance all the leading agents, the agents association themselves have adopted a resolution of the steamship conference with the view of practically securing a satisfactory conduct of the business.

Q. What do you mean by the agents? A. The agents of the Conference Lines—the agents who do the steamship business—we have such associations in

Pittsburg, Providence, Rhode Island, Boston and also in Philadelphia.

Q. Whose agents are you talking about? A. Practically all the steamship agents.

Q. All agents representing your line? A. No, all persons who are directly engaged in the steamship business in the sale of steamship tickets.

Q. In addition to tying themselves to represent your line a number of them have got together and formed an association of their own? A. Yes.

Q. They have made an agreement among themselves not to represent outside interests except those they represent? A. Not definitely—they have not limited their membership.

5240

Q. I know. But I thought that you said they had agreed among themselves not to represent other interests? A. No. They merely got together and saw the practicability of our rules and got together on this effectual association.

Q. And to carry out the rules to represent outside lines? A. No, we cannot find that resolution.

Q. That is Rule 9? A. I know, but you cannot find that rule in the agents' association.

Q. Is there any agreement to that effect? A. No, the steamship lines do not recognize these outside associations.

5241

Q. You are not very familiar with the working of the agents' association? A. Oh, yes, I am.

Q. I understood you to say a short time ago that they got together to carry out a resolution of the Conference Lines? A. Yes, as to the conduct of the steamship business.

Q. I understood you to say that in carrying out these rules they tried to enforce Rule 9? A. I did not say that.

Q. I thought it was a fair inference? A. No.

5242

Q. They did not agree Rule 9 was a good rule? A. They did not. If it comes to an incident they carry it out. It is no part of their by-laws.

Q. What have they? A. A general agreement to that effect—regular by-laws and everything, but I do not think you will find that rule in there.

Q. I am not talking about the written rules. I am not talking about any rules? A. In practice they do carry out that rule because in practice they see the benefit of representing a number of lines instead of only one.

5243

Q. I think you said you had found that agreements among the lines were of great assistance in maintaining rates? A. Yes.

Q. Stable rates? A. Yes.

Q. And have the rates been practically stable since the agreement of 1892? A. Yes, of course, we have had disagreements and they have always resulted in disastrous rate wars.

Q. With the exception of these periods? A. Oh, yes, they fluctuated very slightly.

Q. They have increased to a certain extent, have they not? A. Yes, with the demand.

Q. And the rates practically now are \$35? A. Yes, on an average.

5244

Q. That is by agreement amongst the lines also? A. Yes, and the demand.

Q. You say that is a profitable rate, that \$35 rate? A. I do not say it is a profitable rate. I say it was reasonable.

Q. It is a profitable rate? A. In what way?

Q. Lines carrying the passengers can make a profit out of it? A. The best index—

Q. Is it a profitable rate?

Mr. Bullowa: Let him answer the question.

Mr. Guiler: I would rather do it without your assistance.

Mr. Bullowa: I do not deign to assist you.

Mr. Guiler: I think I am in a position to ask these questions; whether I am qualified or not is a matter for the powers that be. I want to know whether the \$35 rate which you state as being the rate arranged by the various lines is a profitable rate to the lines? A. It is hard to designate a single rate as profitable.

Q. It has been going on for years? A. The best index of profit is the return the companies earn. I do not say the rate is profitable. I merely say it is reasonable. I think they ought to be higher.

Q. You would not say that what has been going on for the last twenty years—that that is a profitable rate to the lines, although it has enabled the companies to earn dividends? A. Combined with other circumstances it might be satisfactory. 5246

Q. Ordinarily the \$35 rate is a satisfactory rate? A. It might be a profitable rate.

Q. Has not it been your experience that it is a profitable rate? A. I think it should be higher—

Q. I am asking you for your experience? A. (Continuing) to give a reasonable profit.

Q. If you will just keep my question in mind. I am simply asking you whether the \$35 rate in your experience has resulted in a profit to the conference lines? A. I should not call it a profitable rate. 5247

Q. The lines have been for maintaining this? A. There have been other circumstances.

Q. They have paid dividends? A. Yes, but at what rate—at a lower rate than any other business—a lower rate of dividends than any other business.

Q. They have paid dividends? A. On and off.

Q. And the rate has fluctuated between that and \$30? A. Yes.

Q. A rate of \$21 would not necessarily be a loss? A. No. Other circumstances would have to be combined.

5248

Q. Supposing you had a five thousand ton boat and carried one thousand passengers on that boat at a \$21 rate, that rate would not necessarily result in a loss?  
A. It might.

Q. Not necessarily? A. The probability would be that it would. One single trip cannot determine the reasonableness of a rate. That is quite impossible. Because you carry one thousand immigrants, that would not enable you to run a boat successfully.

Q. From your experience it is possible for you to make a profit? A. Not unless the first and second-class cabins and freight would combine to do it.

5249

Q. Take the ordinary voyage? A. No—\$21 would not bring a profit.

Q. It would not necessarily be a loss? A. I do not say it would be a loss, but it would not be a profit.

Q. You say it would not necessarily result in loss?  
A. It might not, but that would depend on other surrounding circumstances.

5250

Q. So that your opinion now is practically the same as when you testified before the committee on house resolution No. 543 when Mr. Hawley asked you "suppose an independent steamship company have a vessel sailing on Thursday, and there is a reduction of rates to meet that ship's rate of sailing and the vessel of the conference designated to take the passengers over should carry 1,000 passengers, at \$21 apiece, just for illustration, would the loss to that particular ship, below the published and general rate of the conference lines, be apportioned among the several lines?  
A. It would not necessarily be a loss"? A. It depends on the circumstances.

Q. Taking an ordinary voyage it might result in profit? A. Yes, if the other circumstances are favorable.

Q. You said that the practices of the various fraudulent agents retarded immigration? How did that

come about. How was immigration retarded by these practices? A. Why, when fraud and improper practices prevailed, it would naturally interfere with the proper conduct of immigration. It would keep people from coming. An Italian immigrant suffered a loss on the other side, for instance; his loss would keep his friends and relatives from coming.

Q. Have you any particular incident in mind on which you base that statement? A. No—general experience.

Q. You cannot cite us any particular instance where you remember that occurred? A. No—no particular case. We judge from our experience.

5252

Senator Spooner: They write home? A. They write home that they have been defrauded. Those letters home—

Mr. Guiler: Have you got—

Mr. Bullowa: Let him finish.

Witness: Those letters home are a greater argument.

By Mr. Guiler:

Q. You have not got those letters here? A. No, sir. We know how they are regarded.

Q. You have not seen the letters? A. I have seen letters of that sort. We are able sometimes from letters and reports we see to tell events in the steamship business—third-class east and west—ten months in advance. The moment people realize here that work will be plentiful they usually write out enquiries; a slight increase in business indicates that more immigrants are coming over, and the departure of eastbound passengers indicates that work is slackening down here.

5253

Q. But there are numerous other conditions which may or may not assist immigration at that time? A. Oh, yes, economic conditions.

5254

Q. Besides the practices I have mentioned? A. Oh, Yes.

Q. A very low rate would attract immigration? A. It calls forth the undesirable immigrant.

Q. There is a certain class of people who will take the less rate? A. The Immigration Bureau will tell you that a low rate—

Mr. Guiler: I am not asking you anything about that.

Mr. Beers: Let him answer the question.

5255 The Witness (continuing): Induces undesirable immigrants.

Mr. Guiler: What is your experience a low rate would induce? A. Undesirable immigrants.

Q. But it increases immigration in general? A. It attracts.

Q. And in general it attracts people that possess the qualifications to get in here? A. Not to the extent that a somewhat higher rate does. It attracts a poor class of immigrants.

Q. That is, if a man has \$7, and the rate from Liverpool to New York is \$7, he can get here? A. Yes. That is not the class of man you want.

5256 Q. Leave that aside. He is so much better off by the trip he has had. He could not travel if he had not had that rate? A. No.

Q. Knowing this, it is your opinion that the steamship lines should be allowed to continue the fixed rate that they have now? A. Yes, I think it is the only safe and proper way of conducting the business.

Q. It is better for the lines themselves? A. It is better for the passengers—the travellers.

Q. But at any rate it is better for the line? A. It ensures the line's stable conditions, which are always better in every business.

Mr. Bullowa: Even with the Uranium Line? A. Even with the Uranium Line.

Mr. Guiler: If the line were allowed to make various rates from \$35 down during the rate war the general public for the time being would be benefited by getting the lower rate? A. The general public might be benefited by getting the lower rates.

Q. That is, the lines would not immediately cut down their services the same as they cut their rates?

A. They would, decidedly.

Q. Immediately? A. Yes, they would, and some lines—why, you have had instances where some lines have gone out of business for that reason.

Q. You have had this experience on the same boat, during the rate war there have been three rates, perhaps, \$35, \$30 and \$25, and passengers on those boats have had the same service? A. No—not on the first-class lines.

5258

Q. During the rate war? A. Even during the rate war, it has been the practice of the first-class lines to equalize the rate.

Q. Do you know of such an instance? A. Oh, yes.

Q. The lines do not attempt to discriminate between the various passengers? A. The lines usually refunded the difference and equalized the rate.

Q. In some cases they did not? A. Where they could not possibly do it—no, but as a general fact.

Q. In a great many cases they did not? A. No, as a general rule they refunded the difference.

5259

Q. You know of a number of cases where that has not been done? A. Oh, yes.

Q. Taking the boat I was talking about, it was one of those cases where they did not refund, and the passengers on that particular boat would get the same service for \$25 as they got for \$35? A. Yes. I do not think you will find many of those instances, though.

Q. You would not say to one passenger, "You cannot have meat because you only paid \$25" and to another passenger, "You can, because you paid \$35"?



5260

A. Your experience will show you that the people who pay \$35 on the other side will get after the company pretty quickly and want the difference back.

Q. As you have testified sometimes they do not? A. Yes, but the company suffers that indulges in practices of that kind.

Q. I was assuming the condition of a rate war? A. Yes, even the condition of a rate war.

Q. In those cases the passenger was carried for twenty-five dollars and he would benefit ten dollars on the ordinary rate? A. That is rather far fetched.

5261

Q. It is not very far fetched.

Senator Spooner: What is the question?

Q. In those cases the passenger was carried for twenty-five dollars and he would benefit ten dollars on the ordinary rate? Is that correct? I think that it is a proper question. Is that so as a proposition? A. I think it is far fetched, to say that. You merely assume he would not travel any way.

Q. Is it not a fact, anyway? A. Would he travel at thirty-five dollars?

Q. I say he could get the rate ten dollars cheaper? A. Then he might travel, otherwise he would not travel.

5262

Q. If he intends to travel for the thirty-five dollars, he would then get that benefit? A. Oh, yes.

Q. Will you state what the practice has been where passengers have purchased prepaid tickets say, ten months ahead and the rate has deviated with regard to those tickets? A. A prepaid ticket is value for a year. If they are purchased say at \$38.50 and the passenger travels ten months later when the rate is thirty-five dollars he has naturally no refund due to him and in the same manner if the ticket has been purchased at thirty-five dollars and the ticket has subsequently advanced to \$38.50, the steamship company would not

charge the passenger the difference. On all eastbound traffic the rate on all the first-class lines has usually been equalized, the passenger receiving a refund of the difference if he purchased a ticket at a higher rate than that prevailing on the day of sailing. Still on the other hand the steamship company do not get the benefit of any advance in rate. We do not get the advantage if the rate were advanced eastbound. If we had a rate of thirty dollars today and a week later made a rate of thirty-five dollars we got no difference, but if we wanted to reduce our prevailing rate we have to refund the difference.

By Mr. Beers:

5264

Q. You were asked a question which implied that the rate now prevailing was about thirty-five dollars and that that was fixed by agreement. Are the lines which are parties to "AA" precluded from changing their rate? A. No, indeed not.

Q. Is it not a fact that they do change it from time to time? A. Constantly, yes.

Q. Since the making of agreement "AA", is it a fact or is it not a fact that the rate on lines parties to that agreement have from time to time fluctuated? A. Decidedly, yes.

Q. When you refer to a rate being fixed by an agreement do you intend to testify that the lines had agreed that rate should be stable at a certain sum? A. Oh, no. I understood Mr. Guiler to assume that as the average rate.

5265

Q. You testified as I understood it that there might not be a loss where steerage passengers were carried at twenty-one dollars. If there was not a loss, the returns of such a voyage would have to go largely on the first and second cabins and on the freight, wouldn't they? A. Yes. All classes of the ship would have to contribute to prevent a loss.

5266

Q. Are there, in your experience, various causes which affect the returns received by the steamship companies from the various divisions of its business—first and second cabin, steerage and freight? A. Oh, yes—economic conditions here. Conditions abroad—war or panic—a great disaster sometimes slightly affects travel and naturally the results to the steamship lines.

By Senator Spooner:

5267 Q. Bad crops? A. Oh, yes, yes, indeed. Failure of crops reduces the demand for labor and reduces travel.

By Mr. Beers:

Q. Have marine disasters anything to do with it? A. The Titanic has affected all the lines considerably. On some of the lines today.

By Mr. Bullowa:

Q. You speak of Rule 9 being published for adoption by certain lines. The State of New York, in cooperation with certain steamship lines, passed certain laws which regulated the agents? A. Yes.

5268 Q. I assume you deal with agents in all the different states—in the conference? A. Yes.

Q. Which states? A. Pennsylvania, New Jersey, Wisconsin.

Mr. Guiler: Is Mr. Winter an expert at law?

Witness: Illinois.

Mr. Guiler: He is not a qualified legal expert and he cannot testify what the laws of the various states are. I object.

Witness: They are the laws under which we are operating.

Mr. Guiler: Go ahead. You can testify.

Mr. Bullowa: In some states there are no such laws?

A. No.

Q. In these states it is very necessary for the steamship lines to protect these emigrants from agents? A. Yes—in some states the laws protect them.

Q. In states where there is no such law, it is very essential for the steamship company to do that? A. Yes.

By Mr. Beers: Is it a common matter in your experience for third-class passengers to complain to the steamship companies of their treatment by agents? A. Oh, yes.

5270

Q. Is that the way you learn of the misdoings of agents? A. Yes. That is the way we learn of the misdoings of agents.

Q. That is, if a third-class passenger is or thinks he is, mistreated, he usually applies to the steamship company for redress? A. He makes a claim, yes.

By Mr. Guiler. What was the reason given to you by the president of the Russian Volunteer Fleet as to why the Russian Volunteer Fleet went out of business?

Mr. Bullowa: Objected to as incompetent and hearsay. Did the president tell you that directly?

5271

Witness: No.

Mr. Guiler. What did he say?

Mr. Bullowa: To whom?

Mr. Guiler: Mr. Winter has made a statement.

Mr. Bullowa: To whom?

Mr. Guiler: He made a statement that the president told him. This is the question, "According to the statement of the president, why did the Russian Volunteer Fleet go out of business."

5272

Mr. Bullowa: I object. If it is the statement of the president in writing put it in under his own signature. Was this the statement—(reading from testimony) “He made a statement that they withdrew because of internal arrangements and not because—”

Mr. Guiler: I object to that and I ask that it be stricken out.

Mr. Bullowa: You are trying to get—

Mr. Guiler: It is not proper for you to do a thing like that. I object to that and I expect you to withdraw it.

5273

Mr. Bullowa: I will withdraw it if you want it.

Mr. Guiler: Mr. Winter is your witness, not mine.

Witness: Let me look it up.

Mr. Guiler: You have made an answer and I would like to have the answer you made go in? A. It certainly is our understanding in the steamship business.

Q. As a matter of fact—why don't you make the statement you made before? A. The Russian Volunteer Fleet withdrew because of the low rate imposed upon them by the rate war.

5274

Q. My question was, “What was the reason given to you by the president of the Russian Volunteer Fleet as to why the Russian Volunteer Fleet went out of business.” What would be your answer to that? A. According to a printed statement of the president they withdrew from business because of the low rate and unfavorable conditions imposed upon them by the rate war.

Mr. Bullowa: I move to have the answer stricken out.

Q. To whom was that statement referred to made?

A. That statement was made in a letter, as I remember it, to a well known shipping paper.

Q. The "Shipping Illustrated"? A. Yes.

Q. Haven't you got the facts rather mixed up? Wasn't that under the signature of Admiral Radloff? Is he the president?

Mr. Guiler: If you have letters why don't you put them in?

Mr. Bullowa: It is in evidence.

Mr. Guiler: If you have a letter put it in. That is the best evidence.

Mr. Bullowa (to witness): Have you got that paper in which you say you saw that statement? A. I think I gave it at Washington.

5276

Q. Of course if the president of the Russian Volunteer Fleet stated in writing over his signature that the line withdrew because of internal arrangements and was not driven out, you would regard that statement as of more value than your understandings in the steamship circle? A. Yes.

Mr. Guiler: Why don't you examine him as to his information?

Mr. Bullowa: You will examine him as to that.

Mr. Shipman: Was this statement you saw published in the "Shipping Illustrated," of New York? A. Yes.

5277

Q. And referred to the institution of the present proceedings by the government? A. Yes, and allegations made thereunder.

Q. Was it a letter from the president of the Russian Volunteer Fleet to the editor of "Shipping Illustrated"? A. Yes.

Mr. Bullowa: I show you Defendant's Exhibit No. 2, and ask you if that is the statement you refer to? A. That is the letter.

Hermann Winter

5278

Q. That does not state it was driven out of business because of the low rate? A. No.

Mr. Guiler: What does he say. Look at it.

Witness (reading): "The above statement as far as it concerns the Volunteer Fleet is not correct, as the committee of the Russian Volunteer Fleet had decided to suspend their Libau-New York line for reasons of their own that had nothing in common with the attitude taken by the Pool."

Mr. Guiler: Read the whole letter.

5279 Witness (reading): "In your issue of 7th instant, we find in an article headed 'action against the Trans-Atlantic Pool' mention made of the Russian Volunteer Fleet as '*having been driven out of business*' as a result of the practices adopted by the Pool."

Mr. Guiler: That will do. You have read the rest.

Mr. Bullowa: That is the statement you refer to?

A. Yes.

Q. And after reading that statement and refreshing your recollection, can you now state why the Russian Volunteer Fleet was driven out of business?

Mr. Guiler: No he cannot. He can state where he got the information and what letter it was.

5280 Witness: I can only give the impression in steamship circles, and that was the low rates imposed by the rate war and the unfavorable conditions at the time induced the Russian Volunteer Fleet to get out.

Mr. Shipman: It did not go out of business? A. No, only out of the Trans-Atlantic business.

Hearing adjourned until 11 A. M., on Thursday, 6th March, 1913.

## UNITED STATES DISTRICT COURT,

5281

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

Before: Charles E. Picket, Esq., Examiner.

5282

New York, March 6th, 1913.

Upon motion of Senator Spooner the hearing was  
adjourned until Friday, March 14th, 1913, at 11:00  
A. M.

Petitioner's Exhibit 1916.

Defendant's Exhibit No. 18.

5283



5284

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5285

Before: Charles E. Pickett, Esq., Examiner.

New York, March 14th, 1913.

Upon request of Mr. Shipman the hearing was  
adjourned until Friday, March 21st, 1913, at 11:00  
A. M.

Petitioner's Exhibit 1916.  
Defendant's Exhibit 18.

5286

## UNITED STATES DISTRICT COURT,

5287

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5288

Before: Charles E. Pickett, Esq., Examiner.

New York, March 21st, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for the petitioner.

Messrs. Burlingham, Montgomery & Beecher, by Charles C. Burlingham, Esq., and Charles Burlingham, Esq., for the Anchor Line, Ltd., *et al.*

Messrs. Choate & Larocque, by Nelson Shipman, Esq., for the Norddeutscher Lloyd, *et al.*

5289

Messrs. Spooner & Cotton, by J. C. Spooner, Esq., for the Allan Line, *et al.*

Messrs. Lord, Day & Lord, by Allan B. A. Bradley, Esq., for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East-Asiatic Company, *et al.*

*Paul C. Schnitzler*

5290

PAUL C. SCHNITZLER, recalled:

Mr. Shipman: Mr. Schnitzler has already been sworn by the examiner a few days ago.

Q. Are you a practicing lawyer in New York City?

A. I am.

Q. Were you born and educated in Germany? A. Yes, sir.

5291 Q. What was your profession there and what, if any, public offices, did you hold? A. I was a lawyer in Germany. I studied law at the University of Heidelberg and Leipzig, Germany, for three and a half years. I took my examinations for admission to the bar. I hold the degree of Doctor of Law from the University of Leipzig. I held the position, in Germany, of acting Judge of the District Court of Larh, Baden. I have been acting District Attorney of Heidelberg, Germany. I also was, for some time, clerk of the Appellate Division of the Supreme Court of Karlsruhe.

5292 Q. When you say you were acting Judge and acting District Attorney, do you mean that you were the regularly appointed Judge and District Attorney? A. I do. I fulfilled the duties of the regularly appointed Judge during his absence. I had been appointed and I was acting Judge for nearly one year—for ten months, with all the duties and rights of the Judge.

Q. What was the character of the jurisdiction of this Court which you presided over? A. The Court had jurisdiction over all estate matters—about the same character of the Surrogate's Court here. It had jurisdiction over all the commercial records and also criminal jurisdiction about the same as the Court of Special Sessions here and also jurisdiction in civil matters generally restricted to an amount of six hundred marks.

Q. When you speak of the Appellate Division do you mean by that that that is the highest Court of Ap-

peals in the state? A. Yes, it is the Court of Appeals in the State of Baden.

Q. Like the Court of Appeals at Albany is to New-York? A. Yes, like the Court of Appeals at Albany.

Q. When did you come to this country? A. In 1893.

Q. When were you admitted to the Bar here? A. Five years after.

Q. Have you kept yourself familiar with the decisions of the German Courts since you came here? A. Generally, yes.

Q. Have you testified as an expert in other cases on the German law? A. Yes, repeatedly.

5294

Q. Have you made a careful examination of the decisions of the German Courts with the view of ascertaining whether the Agreement of 1892 between the North German Lines Association, Petitioner's Exhibit #2, and the Agreement AA of February 5th, 1908, Petitioner's Exhibit #3, are valid under the laws of Germany? A. I did.

Q. Have you examined these two agreements referred to? A. I have.

Q. Please state your opinion on the subject of the validity of these two agreements under the German law?

5295

Mr. Guiler: I want to object to this question and all subsequent questions in regard to German law on the ground that the German law is entirely immaterial, incompetent and irrelevant in these proceedings, especially where the law has been declared by positive statutes in the United States—where positive laws have been established by statutes in the United States.

Mr. Shipman: I would like to state that it has some bearing certainly as regards west-bound traffic originating in Germany, and also

5296

on the probability as to whether Congress intended to extend this act over ocean transportation, which is as much the commerce of other countries as our own and in regard to which the laws and policy of other countries differ from our own.

Mr. Guiler: I want to put down a general objection to the whole line of testimony which is going in and which will subsequently come in in regard to German law, as immaterial, incompetent and irrelevant and I will ask to have it stricken out.

5297

A. The said two agreements are valid under the German law.

Q. Is there any statute in Germany prohibiting the formation of syndicates or cartels or specifically regulating the same? A. There is neither statute forbidding the formation of cartels or syndicates or statutes regulating the same.

Q. Do you know to what extent these cartels and syndicates exist in Germany in the various lines of trade or business? A. There are many hundreds of cartels and syndicates existing in Germany comprising more than 10,000 different concerns and enterprises.

5298

Mr. Guiler: I object to that as being immaterial and ask to have it stricken out. He has not been asked and has not shown that he knows anything.

Mr. Shipman: I asked him if he knew and he says so.

Q. In these cartels or syndicates do the members retain their separate identity the same as before the cartel or syndicate was formed? A. They do.

Q. Except as regards certain restrictions in the cartel or syndicate agreement? A. They do generally.

Q. The cartel or syndicate agreement fixes certain specific matters, does it not? A. It does.

Q. Of what character for example? A. It depends on the syndicate agreement—the purpose of the syndicate. As a result, very often, we find that the different concerns in the same trade all syndicate themselves—associating themselves—establish a common selling agency, for instance, or they have an agreement regarding their prices—establish certain minimum prices, below which they will not sell or make arrangements as to the territory within which they will sell or will not sell.

Q. Or the amount of the production which each of the members shall make? A. Also the amount of production that shall be allowed to each member in the syndicate.

5300

Q. Otherwise do they maintain their independence just as before they entered the syndicate or cartel? A. That is so generally, yes.

Q. Now, are there certain provisions in the German Civil Code in regard to acts against good morals or acts *contra bonos mores*? A. Yes.

Q. Will you please give a translation of this section? A. I refer for instance to Article 138 of this Civil Code which says that: "Any transaction violating *bonos mores* shall be void" and Article 826 of the Civil Code, 'Any person who in a manner '*Contra bonos mores*' wilfully inflicts damage upon another, is bound to compensate such other in respect of such damage."

5301

Q. Those sections do not appear to have any special application to cartels or syndicates, is that correct? A. That is correct.

Q. Have you made an examination of the decisions of the highest Court of the German Empire Reichsgericht on the subject of cartels and syndicates? A. Yes, I have made it.

5302

*Paul C. Schnitzler*

Q. Under what provision or provisions of the German Civil Code did you find that most of these cases arose? A. Section 826, cited was generally applied to the questions arising under the said decisions.

Q. Have you a statement of the decisions of the Imperial Court which you have prepared in regard to cartels and syndicates under this section? A. Yes, I examined the decisions of the Imperial Court covering the period of the last fifteen years, and the decisions which I hold here in my hand, translated into English by myself, are the decisions which I have found to be in point, and covering syndicates or cartels.

5303

Q. Do those decisions give a correct view of the law as laid down by that Court? A. In my opinion, they do. They contain the law because they emanate from the highest Court of the German Empire.

Q. Is a cartel and a syndicate about the same thing? A. The term is usually synonymously used.

Q. There is one decision in here that probably escaped your attention at the time. It is the one of March 6th, 1907, of which the translation is taken from the report of the English Royal Commission on shipping rings? A. That is a decision in the Sloman case. It is also a decision of the Imperial Court of the German Empire, but is not reported in the official

5304

publication of its decisions, but it is reported in a legal publication called "Das Recht"—called—"The Law." I did not make the translation of this decision.

Mr. Shipman: I offer in evidence this statement of the decisions which the witness has produced.

Marked Defendant's Exhibit #19A.

Mr. Guiler: They can go in subject to the general objection I have already raised.

Mr. Bullowa: But not as to their authenticity.

Mr. Shipman: Do you understand that it is perfectly lawful under the German law for individuals engaged in the same line of trade to enter into cartel or syndicate agreements for the purpose of preventing destructive or injurious competition between the members resulting from mutual underbidding and fall in prices? A. It is perfectly legal.

Q. And is it lawful for such cartel or syndicate to defend itself against outside underbidding by meeting the competition? A. It is.

Q. On what ground does the Imperial Court base this line of decisions? A. From the decisions it appears that the contention in Germany is that it is to the interest of the public as a whole that there is no disastrous or ruinous competition and that the public policy of the country demands that the manufacturers or the people united in the syndicate, receive a fair return for their product and that it is advantageous to the whole country to have, by such agreements, prevented the loss of the business of the individuals.

5306

Q. Do you find from an examination of the later decisions of the Imperial Court that this view has ever been varied? A. This view has never been varied. It is the view today and so it appears from the decisions, some of which are of recent date. I refer to the decisions which have been offered in evidence.

5307

Q. Does the validity of these agreements in this respect appear to be treated by the Court as settled? A. It does.

Q. Do you find cases where rights and penalties under cartel or syndicate agreements have been enforced as between the members? A. I do.

Q. Recent cases on this subject? A. Recent cases on this subject.

Q. The decisions which you have cited in this statement other than those referring to combinations to prevent underbidding, are they for the purpose of il-



5308

illustrating the view of the Imperial Court as to what is lawful with respect to other restraints of trade? A. Yes.

Q. They relate to acts of the syndicates or cartels generally against third parties? A. Against third parties.

Q. These acts are generally of what character as shown in these decisions? A. As shown in these decisions they are of an oppressive character—of a character that makes it impossible for the third party to carry on business at all or where there is a permanent and total injury to the business of the competitor.

5309

Q. Acts also which prevent a person—practically prevent a person from gaining a livelihood? A. And also acts which would prevent or make it impossible for a person to gain his livelihood. Whereas acts that would only make it harder for a person to make his livelihood, or acts that would interfere with the carrying on of his business, would, in themselves, not be sufficient to be illegal.

Q. Particularly if they were of a temporary character? A. Or also acts which were only of a temporary character would not be considered to be illegal.

5310

Q. What criterion do they go by generally in the decisions in judging of these acts. I mean to what do they refer as a proper standard by which to judge of these acts? A. They judge of these acts on the basis of the conceptions held by all fair and just thinking men in Germany.

Q. In your statement of the decisions you have referred to certain provisions of the German Unfair Competition Law of 1909, originally enacted in 1896. What is the general scope of this law? A. The Unfair Competition Law relates to certain specified acts which are characterized as illegal in the carrying on of a business. As for instance to make an incorrect statement in public announcements in reference to business

relations, the quality, the origin, the method of production or the computation of prices of goods or trade service, also to create the appearance of a specially favorable offer when such offers not only are untrue but are apt to be misleading, and so on.

Q. You need not go right through it, I think. They are in the nature of fraudulent practices, are they not?

A. Some of them.

Q. And the others, are they of a different character? A. Also the law prohibits the giving of presents or other advantages to an employe or representative of the business for the purpose of obtaining a benefit for himself or another. Also it forbids for the purpose of competition to make a public statement regarding the business of another which is untrue or which would injure the credit of the business of such third party and so on. Many of these acts pointed out are made criminal offenses under the said law.

5312

Q. The Courts, enforce, I understand, these cartel and syndicate agreements among the parties? A. They do, as I have testified.

Q. I think you have already stated that the holding of the Imperial Court is that mere combinations to prevent ruinous competition between parties is not against good morals? A. I so stated it.

Q. As viewed in Germany? A. I so stated it.

5313

Q. In these cartel or syndicate agreements, they are entered into, are they not, in reference to a limited period of time or a given trade or business or a given locality? A. They usually are.

Q. A restriction as regards freedom of trade in these particulars is legal in Germany? A. It is.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. Are you familiar with the so-called Blumenthal case in Germany? A. I am.

5314

Q. What does that case hold, in your opinion. What is the decision in that case? A. In the Blumenthal case there was a threat made by the Steamship Company that if Mr. Blumenthal would not comply with the dictates of the steamship company—that in such an event the steamship company would suspend—its general published tariff—so as to discriminate against the customers of Mr. Blumenthal, and the Court held that this was clearly against public morals, *contra bonos mores*, for the reason that the Steamship Company being a public carrier and thereby in a measure, at least, subject to the duties of a public carrier could not arbitrarily suspend the general published tariff in order to coerce a third party.

5315

Q. They said in that case, did they not, that the threat consisted also in their saying that they would write to the various firms employing the plaintiff, who was a forwarding agent and try to get his business away from him? A. Quite right. It makes the case so much the worse.

Q. In general if threats or oppressions or acts of that sort are used by a combination against an individual, that would be illegal in your opinion in Germany?

A. Not at all. Threats in themselves are not illegal and oppression used as decided in the decisions which

5316

I have cited, in itself is not sufficient to make the acts illegal. Something else is necessary—that the threat or oppression is coupled with the fact that the party against whom the acts are directed is thereby permanently injured, or that the act in itself is illegal. If a threat is made of an illegal act then it is prohibited, because the act is illegal, but otherwise under these decisions it is necessary that the result of the threat must be that the third party is permanently injured.

Q. Do you find anything in that case that shows that the plaintiff was permanently injured? A. This case was decided on the ground that the steamship

company was a public carrier and thereby was subject to duties to which an individual might not be subject.

Q. They were held up to a higher standard of "*Contra bonos mores*" than anybody else? A. Exactly. That is simply what I want to say.

Q. That is because of their public character? A. And as there are no laws existing in Germany which regulate the business of the Steamship Company the Courts necessarily apply this higher standard of responsibility.

Mr. Shipman: You mean the publication of the rates of the Steamship Company.

5318

The Witness: Yes, it was a published tariff.

Q. They held that in that case the steamship company would have to allow to the plaintiff the rates they allowed everybody? A. I do not think so. I think it was an application for an injunction and they enjoined—if I am well informed—the defendant steamship company from carrying out the threat.

Q. Then they would not allow them to carry out that threat to apply different rates to him than to anybody else? A. It would seem to follow. It was not an injunction.

Q. Take the Sloman case, are you familiar with that? A. Yes, sir.

5319

Q. I mean Sloman versus Sloman? A. Yes.

Q. That was decided in 1907—several years after the Blumenthal case? A. Yes.

Q. The principal decision in the Sloman case was, was it not, and the only point there raised and before the Court was whether or not the defendant steamship companies should be allowed to grant a rebate to shippers? A. If I remember right—if I can make sure right away by looking at the case that was not exactly what was involved—what it was was this. Whether the defendants had the right to withhold from the plaintiff the benefit of the privilege which it had allowed to others.

5320

Q. Is not this statement contained in that case, "This last point is the only one in question, viz., is the defendant allowed or is he permitted to grant a rebate to his shippers and if the plaintiff now alleges—" Is not that correct? A. Yes, that is practically the same as what I testified to. This man claimed the same privileges which the defendant allowed to others and the Court held that he was not entitled to the privileges because the defendant had a perfect right in order to secure for a longer period of time the custom of the other people and give them certain benefits which, if it wanted to it could withhold from others, whereas the Court defines very clearly the Blumenthal case and the Sloman case. In the Blumenthal case there was not any question of reward as in the Sloman case, but a threat was made that the plaintiff should not have the benefit of the generally published tariff, and should not be entitled to this tariff, whereas in the Sloman case there was never any question raised whether the plaintiff should not be entitled also to the general tariff, only in addition thereto certain privileges were granted. Rebates were given and the Court held that these rebates were perfectly legitimate rebates.

5321

Q. In the Sloman case the point was that where the steamship companies decided to reward a shipper who shipped solely by their lines—that they could do so? A. That is right.

5322

Q. And in the Blumenthal case it said that they could not punish a person by taking away these rebates? A. Not the rebates. No. The generally published tariff to which everybody is entitled, whereas nobody is entitled to the privilege.

Q. That is by a threat to take away the generally published tariff—that was, it was a threat to do damage to their shippers? A. And thereby if they did not have the benefit of the generally published tariff then they were prevented from doing business—absolutely prevented from doing business.

Q. Do you see any substantial difference between the two principles in these cases? A. Yes, I think from the decision itself in the Sloman case where the Court said—

Q. I was asking for your opinion? A. I said yes to your question. That is my opinion. I only said in my opinion and I would also refer to what the court said.

Q. That is already in the record? A. Well, in the one case a man was deprived of the benefit of the generally published tariff and therefore of course, was prevented from doing business, because if a shipper is not getting the benefit of the published tariff then he is at a great disadvantage if not excluded altogether.

5324

Q. He is excluded as to that line or that group of lines? A. I understand it was practically a monopoly, if I remember right.

Q. It was? A. Yes. Whereas in the other case only certain benefits were given to certain customers who continued to do business with the defendant and therefore certain privileges were allowed to certain customers which, of course, the court held the defendant was entitled to refuse to others so long as it gave also, I assume, the benefit of the generally published tariff to everybody.

Q. You figure if there is any difference between the principles that in one case they reward a shipper and in the other case they damage him for not sticking by them. Reward one for sticking by them and then damage him when he does not? A. In my opinion there is a very great difference between the two cases. There was no obligation to reward but there was an obligation to give the benefit of the generally published tariff to everybody, and that extra which was given in certain cases was outside of the generally published tariff.

5325

Q. It punishes those who did not stick to the company and benefits those who did? A. Whatever the economic result may be that has nothing to do with it.

5326

Q. They do not grant it to people who did not stick with them. It punished them? A. You could not call it a punishment.

Q. They do not get the rebate? A. But that is no punishment. I do not see how you can call it a punishment if you do not give to somebody a certain advantage to which he is not entitled.

Q. It is a discrimination then between him and some other shippers, is it not? A. It is a discrimination, yes, in a certain way. The result shows, that one is benefited and the other not.

5327

Q. One was a threat to intimidate in the Blumenthal case by cutting off his tariff altogether? A. Yes. It was an entirely different thing in my opinion.

Q. It was a discrimination, was it not, in both cases in favor of certain parties? A. It was a discrimination, yes, if you call discrimination the different treatment of different parties.

Q. That is what I understand the meaning of discrimination is? A. But the one was held justified by the court and the other not, and in my opinion justly. The distinction is clear. In the one case, in the Blumenthal case the right of the third party was affected whereas in the Sloman case no right of the third party was affected.

5328

Q. Take the statement of the Blumenthal case, which I will read to you and I will ask you if that is the law of today: "In a country where carriers are under no such legal compulsion a proceeding of the last mentioned kind may, notwithstanding such absence of compulsion, be looked upon as an act '*Contra bonus mores*.' According to the views held in our country as to decent conduct and fair dealing, the act of a carrier, who excludes an individual or a defined group of individuals from the benefit of the tariffs announced to the general public would be looked upon as an act, '*Contra bonos mores*' if it was done for the purpose

of unfair competition. It would be unfair competition if in the present case the defendant for the sole purpose of removing or suppressing the inconvenient competition of any rival traders had attempted to damage such rival traders by the imposition of exceptional rates." Is that the law in your country today? A. I think it is. Which case do you refer to?

Q. That is the Blumenthal case? A. I do not know whether the translation is quite right. We have here the same thing but your translation is more free.

Q. This translation is by Dr. Schuster? A. Your translation is a great deal more free than my translation.

5330

Q. Do you think that what I have read is a correct statement? A. I think it would be, but I would like to put in an objection to your translation and I would like to read my translation on the record "An unfair competition however, would exist if in the case at Bar the defendant solely for the purpose of pushing aside or suppressing competition inconvenient to it, undertook by exceptional tariffs to injure the interests of the competition \* \* \* That the plaintiff by the exclusion from the benefit of the general tariffs and the charging of rates was injured in his business is in itself apparent."

Q. I will read you a question and answer from Dr. Ernest Schuster's evidence before the Royal Commission on shipping rings and ask you whether you agree with it: "Q11778. So that if it were the case that in a certain set of circumstances a combination called a ring acted oppressively to the people who have to deal with it, in your view, that would be regarded as illegal? A. Certainly, if the courts held that they had acted oppressively." Is that your understanding of the law? A. Not quite. The oppression must be defined. Not every oppression is sufficient to make such an act illegal under Section 826 or 138 of the German Civil Code. Mr. Schuster in giving this opinion was

5331



5332

somewhat under a handicap because as he himself testified he could not reconcile the Blumenthal and the Sloman case because all he knew about the Sloman decision was a little extract from some commercial paper in Hamburg. He had never seen the entire decision. And in reading his testimony I gained the impression that his judgment as to the German law is somewhat clouded.

5333

Q. But he has the same opinion in the Sloman case as you have now? A. Unfortunately, no. Because he testified that all he saw was a little syllabus and he regrets very much that he has not got the entire information before him.

Q. Is not that substantially correct, what I have read to you? A. No, because the Court decides as to the degree of oppression or suppression. It must be a suppression or oppression of the business. The suppression or oppression must be of a permanent or total character. A mere temporary suppression or oppression in certain directions is not sufficient and I have a number of decisions here which will point that out.

5334

Q. In this Sloman case there was not any question of monopoly concerned, was there? A. Certainly, there was a question of monopoly. "Another argument of the plaintiff is to the effect that through the aforesaid measures, the defendant intends monopolizing the trade between German ports and Australia and that, as a matter of fact, he already does so, that the agreement made between the several defendants purports to keep up the rates of freight" and so on.

Q. Go ahead and see if there is any such thing as monopoly. A. I understand your question was whether there was any question of monopoly?

Q. You have not read far enough. I will read it for you: "That the agreement made between the several defendants purports to keep up the rates of freight for sailing vessels in order to gradually dimin-

ish the sailing trade, a measure hostile to the interests of the whole nation. Even, if this were so, and the measures taken by the defendant would actually lead to a reduction in the trade of sailing vessels, no provision in the law could be found preventing the defendant from granting rebates to his shippers in the manner he did. This last point is the only one in question, viz., is the defendant allowed or is he forbidden to grant a rebate to his shippers and, if plaintiff now alleges that the defendant has monopolized the German-Australian trade, this is at variance with the plaintiff's own words, as shown in a notice he sent to his shippers shortly before going into Court. In this notice, dated June, 1905, plaintiff declares that the new line he established between Tanning and Australia prospered so well as to enable him to send three more first-class sailing vessels out before the 15th of August; that the lively and effectual assistance given to him by the shippers insured a steady and prosperous business and that he had reason to hope that shippers would gradually become aware of the fact how much more sailing vessels were to be preferred to steamships on account of the great difference in freight. And, also, in the course of the proceedings when urged by the defendant that his new line did not yield any profit but had merely been established *in fraudem contractus*, plaintiff had repeatedly asserted that, although he had to content himself with a smaller profit as compared with the defendant he, nevertheless, did a good business, because there was, on account of the lower rates of freight, such a supply of goods that the extra freight for carrying them to Tanning did not enter into consideration. It appears from these statements, made by the plaintiff himself, at least for the present moment, there is no question of the defendant having monopolized the German-Australian trade." That settles the point that there has been no question of monopoly? A.

5336

5337

Paul C. Schnitzler

5338

I thought you meant the question of monopoly generally—it was attempted monopoly.

Q. That is correct—that there was not involved in the decision of the case any question of monopoly? A. The Court found, that as a matter of fact up to that time—it appears in the statement of the plaintiff—that there was not any monopoly. In other words, the plaintiff contradicted himself by claiming that there was a monopoly where his own statement showed that there was no monopoly.

Q. And the Court did not have to pass on the question? A. And therefore the Court did not pass on the question of monopoly although the plaintiff did claim monopoly.

5339

Q. Section 826 of the German Civil Code which is to the effect that “Any person who in a manner ‘*Contra bonos mores*’ wilfully inflicts damage upon another is bound to compensate such other in respect of such damage.” That practically means a person, who, contrary to public policy, damages another? A. Yes, public policy or public morals. I think public policy and public morals in a certain way at least are analogous.

Q. And that means the public policy of Germany?

A. Not altogether but it is pretty near synonymous, but in speaking of German public policy we always think of the community at large whereas the term “*Contra bonos mores*” really refers to the interest of the individual as contra-distinguished from the interest of the community.

5340

Q. In your experience, have not you found that public policy differs as time goes on? A. Undoubtedly it does and so the Court held.

Q. And that sometimes the public policy has, to some extent, been against combinations and monopolies? A. What do you mean by that—when and where?

Q. Any time in your experience? A. In this country?

Q. I am talking about Germany now? A. I think in the early '90s there was quite some feeling against monopolies but the tendency has changed and the tendency is rather in favor of syndicates and cartels and monopolies in Germany than against them.

Q. You mean German cartels and syndicates A Yes.

Q. As distinct from foreign syndicates and cartels? A. No, as to German syndicates.

Q. Don't you know that there has been an attempt to pass one law against the Standard Oil Company and one against the Tobacco Company in Germany?

A. I am very familiar with it. I made a special study of it and I am happy to say your premise is wrong because there was no attempt made to pass a law against the Standard Oil Company. On the contrary I have been reading the speech made by the under secretary of state in Parliament advocating the passage of the law and he distinctly stated that the law had no point whatsoever. It was not directed against the Standard Oil Company. That it was merely a revenue measure and in order to protect the German Empire, and it had nothing to do with the Standard Oil Company; and as to the legislation in regard to the tobacco trust, I think your statement is premature. I have not heard even of any such bill having been introduced.

5342

5343

Q. Your statement involves the fact that there has been a general agitation in regard to monopolies and trusts? A. No, on the contrary, because the state wants to establish a monopoly for the sale of kerosene, a monopoly is controlled by the state for the sale of kerosene, they really intended to make it a monopoly and the tendency in the state is in favor of monopolies.

Q. In favor of state monopolies? A. Yes, in favor of state monopolies. It is a monopoly controlled by the state, just like potash like in the sale and mining of potash.

5344

*Paul C. Schnitzler*

Q. Is not it generally true that the state takes a great deal more paternal interest in its industries than almost any other state in the world? A. Undoubtedly so, and because the state does so, there is not need of any German anti-trust law.

Q. And the state determines how things shall be done? A. In a much larger measure than here.

Q. And issues licenses to companies to do business? A. No, sir.

Q. Or something equivalent to a license? A. No. What kind of license do you mean?

5345

Q. Concessions—shall I say? A. I have never heard of a state issuing a license or concession to any private business.

Q. Does not the state give concessions to steamship companies to run into Germany and into other places? A. So far as the carrying of emigrants is concerned—there the state gives licenses. Nobody can engage in Germany under the law in the business of forwarding emigrants or in the business of aiding the forwarding of emigrants by selling them steamships tickets unless he is licensed.

5346

Q. And in regard to preventing this also in regard to railways and other public service corporations? A. No, not to a very large extent for the reason that all the railways belong to the state with a very few exceptions and so far as the street railways are concerned they belong to the cities and there is therefore no need of licensing.

Q. In general they are run by the state? A. Run by the state and belong to the state or to the city.

Q. So that in this case there is not any need to establish any laws to take care of them? A. No. I may add that the law did not pass Parliament in reference to monopolizing the kerosene trade.

Q. I will read to you from page 11775 from the evidence of Dr. Schuster before the Commission on ship-

ping rings and ask you whether you agree with him in his general statements: "Q. And I understand that in your view, applying the principles of that judgment to the shipping rings, their circumstances might be such that they might be regarded as illegal? A. That might be so under certain circumstances of the case." Is that a correct statement? A. I doubt it in view of the later decisions of the Imperial Court where the Imperial Court defined what is permissible and what is forbidden.

Q. There is not any case before the courts in Germany which involves the questions in this case? A. There have been many cases before the Court in Germany which involved just practically the same facts as are involved in this case.

5318

Q. I mean shipping rings? A. Not only shipping rings, but other rings. I did not find any other judgment relating to shipping rings but the Blumenthal and Sloman cases but there are a good many other judgments presenting exactly the same phase as this agreement does but relating to other trades, where the Court of the Empire adopted the principle that they were permissible and I remember one was a case where they had an agreement that some of the members of the association could charge lower prices in order to fight the competition and that the loss should be borne by all the other members of the syndicate. I refer to the decision of the Imperial Court of January 2, 1909. Besides Mr. Schuster himself, said it might be so. Under special circumstances of the case, undoubtedly he is right and so far I agree with him, if the special circumstances of the case are such as to make such a ring illegal. Two things are necessary—either the acts in themselves are illegal or they are such that they are oppressive *per se*—when they make it permanently or totally impossible for any competitor to do business. A mere temporary interference or injury as the Court repeatedly held is not sufficient.

5349

*Paul C. Schnitzler*

5350

Q. I refer you to a judgment of February 4th, 1897 in which the wood pulp manufacturing association was concerned: "Agreements like the one in question cannot therefore be impugned—except in a case where objection arises owing to peculiar circumstances, as for instance, in a case where it is clear that the establishment of a practical monopoly and usurious exploitation of the consumers is aimed at." You cannot say on that decision whether there had been a practical monopoly of the business of wood pulp and whether there had been a usurious exploitation of the customers? A. Undoubtedly. I would like to first object to your translation and I would like to have my translation put on the record: "Agreements of the kind in question can therefore from the standpoint of the public interest protecting the freedom of trade, only be objected to, if in a given case objections arise on account of special circumstances, particularly if the agreement is evidently intended to create an actual monopoly and extortionate exploitation of the consumers or if such results will in fact be produced by the agreement and manipulation."

5351

5352

Q. That is the law of Germany, as you construe it. That correctly states. Does it not? A. In a way it is the law of Germany. It is a simple statement of the Court that agreements of that kind can only be objected to if such and such is the case, but if an objection is made whether such objection will be upheld is a different subject and it depends on the special circumstances of the case.

Q. You do not mean to impugn the Court's statement of the case? A. No, I concur with the Court. It does not say that any actual monopoly would be illegal. They add the qualifying statement: "If in a given case objections arise on account of special circumstances, particularly if the agreement is evidently intended to create an actual monopoly and the extortionate ex-



ploitation of the consumers, or if such results will in fact be produced by the agreements and manipulations made."

Q. You would say that you agree with the Court in the judgment of the 17th of March, 1904—that the law should prohibit directly unlawful acts and that the prohibition ought to extend to all measures inflicting damage on the adversary which, according to the generally established moral conception are either altogether inequitable and unjust or appear to be so under the special circumstances? A. Exactly, that is correct. That is what I always said either an act in itself must be illegal or circumstances must be there that make the act oppressive to the extent of interfering permanently or totally with the existence of another.

5354

Q. In a case a number of workmen in the Metal Workers' Union got together, as I understand it, and passed a general rule that no workmen other than those producing a testimonial of fitness from an agency, which they themselves established could do business in that trade. In that case the Metal Workers' Union would not give a certificate to the third person who had applied, to the particular workman on account of the fact that he had started an agitation against the Union. The Court held that that was illegal and that damages could be had. That is correct? A. No, your statement is not correct because you do not give all the facts.

5355

Q. I have been trying to give them all? A. But the principal point of the decision is that the Court also held that this association was so favorably established by reason of its connections with the German Metal Manufacturers' Union that its denial of its certificate to the particular workman practically amounted to a refusal of work by the whole of the German metal manufacturers and for that reason because it was made impossible for the particular man to find employment



*Paul C. Schnitzler*

5356

not only from this association but anywhere, it is said to be illegal. I am not quite complete. I took great pains to put it in. I will read it in. Coupled with that further explanation I agree with the Court, and that is the decision of the Court. This is my translation of what was said: "According to what has been said, based upon the findings of the lower Court in reference to the effect of a denial of work by the said association, the measure amounts to a very grave interference with the economical life of the person affected thereby; for it limits and obstructs in the most far reaching manner the gaining by him of opportunity to work in a trade field which regarding the numbers of the working men therein employed stands in one of the first ranks.

5357

Q. That is a correct statement? A. Yes.

Q. I will read to you from question 11782 the evidence of Dr. Schuster of the shipping rings—it is as follows: "In your judgment would such circumstances as these be taken into account—coercion, oppressiveness of bargain, forfeiture of large amounts in the event of a breach of contract?" A. I agree with that undoubtedly.

5358

Q. Then if you had such circumstances as that the Court would consider them illegal? A. Not at all. It all depends on the degree of coercion and of oppressiveness and so on as defined and clearly defined in the decision of the Imperial Court. All these decisions are absolutely harmonious, there was not one decision I could find that conflicted with the others. The principle is clear that the oppressiveness or coercion must be of a certain kind. It must permanently injure the third party or totally destroy his business, but the mere temporary or partial interference is not sufficient.

Q. With that statement, you agree with the statement? A. Absolutely, with that explanation.

By Mr. Shipman:

Q. These cases you have cited in your statement are in regard to cartel agreements; a very large number of actions are enforced between the members, are they not—for breach of cartel agreement? A. I have those decisions. But I may say that outside of the decisions which have been offered in evidence I also made further examination of the German law and decisions referred to in the Courts of Appeals and the Supreme Court and I find a number of decisions which we did not hand in, but from such decisions, it appears that quite often in such cases to recover such penalties, judgment was given in favor of the plaintiff.

5360

Q. In the decision of February 4th, 1897, in the case of the Saxon Wood Pulp Manufacturers your translation speaks of the "Extortionate exploitation of consumers." What are the German words for "extortionate exploitation"? A. "Wucherische Ausbeutung."

Q. What is the meaning of "Wucherische"? A. It means "usurious," but there is a difference in the translation, because the translation of the word "usurious" would convey a different meaning in English from what the word "Wucherische" has in German.

Q. Well, what is "Wucher," is it a crime? A. It is a crime in Germany, under the Penal Code. "Wucher" has nothing to do with the legal rate of interest as I recall it. It is the crime of using the straightened circumstances, the youthfulness, or the carelessness of another to secure to yourself advantages which are out of all proportion to the compensation paid for them. For instance, in the loan of money, that is what we call "Wucher."

5361

Q. That is to take an undue advantage of another?  
A. Yes.

Q. Now, in the Sloman case that you have referred to of March 6th, 1907, these rebates were offered

5362

*Paul C. Schnitzler*

indiscriminately to all persons who would ship by that line—who would patronize the line? A. I believe so.

Q. That is offered to every shipper who had a like promise, who chooses to patronize the line? A. I believe so, yes.

Q. And if a shipper does not get it it is simply because he does not choose to take advantage of it? A. Because he does not come in with the business he is running.

Q. You can hardly say that it is an act of discrimination? A. I did not mean to say that it was an act of discrimination in that sense but it is an act of discrimination in the result.

5363

Q. Does not the Court in this part of the opinion speak approvingly of the system of granting rebates as enabling the business to be carried on with greater stability? A. I have just read the decision: "Every ship owner is at liberty to fix the rates of freight at which he undertakes to carry goods, at his pleasure; he is perfectly free to lower the rates of freight below the amount fixed by competing lines; he may also grant any favor he likes to shippers who employ no other ships but those belonging to him, thereby enabling him to count with a regular supply of goods and thus to insure a steady business and to make the best advantage possible of his ships. It is only fair, if the defendant, by granting rebates rewards the shippers for the services done for him in exclusively using for certain lengths of time his ships for transporting their goods and thereby effectually furthering his business."

5364

Q. I believe that you stated something in regard to there being a different sentiment along in the 90's in regard to syndicates and cartels. Do you refer to the view taken by the Court or some popular opinion? A. I refer to my personal impression and my recollection and what I read. However, my recollection and impression is very indistinct

Q. There was nothing to show that the general policy of the country was against cartels at that time?

A. I know at that time they introduced a bill to establish a tobacco monopoly in Germany but it fell through. At that time these questions were discussed freely.

Q. There is always some minority more or less that take an opposing view in every move? A. Yes.

Mr. Guiler: He did not say minority.

Q. The first decision you cite here in your statement is one of 1890 and it says that the Imperial Court then took the view and considered the public policy of the country to be in favor of cartels and syndicates to prevent underbidding? A. The Court decided that the cartels were absolutely legal.

5366

Q. On the ground of public policy? A. On the ground of public policy and on the ground of the laws of the statutes existing.

Q. So that the public policy must have been at that time in Germany in favor of these syndicates and cartels? A. Yes,—I do not know.

Q. The general policy of the country as adduced—? A. I do not want to say that—that the Court will construe public opinion; but the Court declared these cartels to be legal.

Q. Did not the Court in its opinion purport to state the public policy at that time? A. I may say that, yes.

5367

Q. There is no doubt what the public policy of Germany has been during the last ten years? A. In favor of the syndicates, because if not the industrial life of Germany would go to pieces, as Germany is now situated.

Q. Will you look at this book that I hand you. What is its title? A. "The Imperial Law regarding Emigration of June 9th, 1897, edition of P. Goetsch, Imperial Actual Counsellor of Legation in charge of emigration matters in the Foreign Office."

*Paul C. Schnitzler*

5368

Mr. Shipman: I offer in evidence translation of Supplement "O" of this book, and a brief summary of Supplement "J," together with the translation of the various orders issued by the Prussian Government in regard to the regulation of emigration across the Prussian frontier and also containing certain additional papers on this subject. I offer these papers in evidence to meet the Government's claim that the passengers of the Uranium Steamship Line were improperly turned back by the German Steamship officials or agents.

5369

Mr. Guiler: I object to these papers on the ground that they are incompetent, immaterial and irrelevant to the question at issue in this case. I do not object to the authenticity of these papers on the ground that they are copies, but on the grounds mentioned that they are not material to the issue.

Marked Defendants' Exhibit No. 20.

5370

Q. Under the German Emigration Law does a steamship company which is engaged in the emigrant business have to be concessioned by the German Government and enter into a contract and give security for the proper performance of its undertaking? A. Yes.

Q. If a steamship company outside of Germany which is not concessioned by the Government undertakes to sell tickets outside of Germany to steerage passengers for transit through Germany would those passengers be allowed to pass through the country? A. They would not under the law and a ticket issued by a non-licensed company would not be recognized by the Government, therefore the passenger would not be allowed to pass through the registration or control stations established at the frontier.

Q. Could a foreign steamship company be licensed in Germany to carry emigrants from German ports or through Germany? A. Yes.

Q. Do you know what regulations there are in Germany in regard to corporations watering their stock—are the laws stringent in that regard? A. The stock corporation law of Germany does not allow the watering of stock. Stock certificates can only be issued for cash, or in case other property is brought into the corporation before the stock can be issued then the Court will investigate and ascertain the value of such property.

Q. Do the papers bearing out these facts regarding the value of the property have to be filed with the Court? A. Yes, and before they have been filed and approved by the Court no stock certificate can be issued and if it is issued the directors issuing the same will become criminally liable.

Q. There are heavy penalties and punishments by imprisonment for falsification in reference to these stock statements, are there not? A. Yes, for fraud and falsification in stock statements.

Mr. Shipman: I offer in evidence the list of the dividends paid by the Norddeutscher Lloyd since its organization showing also the years in which no dividends were paid.

Marked Defendants' Exhibit No. 21.

Mr. Guiler: I want to object on the ground that it is incompetent, immaterial and irrelevant. Not because it has not been put in in a formal copy. I do not object to it as not properly proven, but I claim that it is incompetent to the matter at issue.

By Mr. Guiler:

Q. Have you ever been at the control stations and seen the practical carrying out of the law there? A. Not personally, no.

5374

*Paul C. Schnitzler*

Q. You know nothing about how the law is carried out there from your own personal experience—whether the law has been carried out as it exists on the books or whether it has not? A. No.

Hearing adjourned until Wednesday, March 26th, 1913, at 11 o'clock A. M.

---

UNITED STATES DISTRICT COURT,

5375

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and Others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5376

New York, March 26th, 1913.

Upon motion of Mr. Beers hearing was adjourned to Friday, March 28th, 1913 at 11 o'clock A. M.

## UNITED STATES DISTRICT COURT,

5377

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and Others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5378

New York, March 28th, 1913.

Appearances:

Charles E. Pickett, Esq., Examiner.

Henry A. Guiler, Esq., For the Petitioner.

Ralph J. M. Bullowa, Esq., For the Russian East  
Asiatic Company, *et. al.*

Upon motion of Mr. Burlingham hearing was ad-  
journed to Monday, March 31st, 1913.

5379



5380

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and Others,  
Defendants.

5381

Before: Charles E. Pickett, Esq., Examiner.

New York, March 31st, 1913.

Appearances:

Charles E. Pickett, Esq., Examiner.

Henry A. Guiler, Esq., For the Petitioner.

Charles C. Burlingham, Esq., For the Anchor Line.

PHILIP A. S. FRANKLIN, sworn on behalf of  
the defense, by the Examiner.

5382 Upon request of Mr. Burlingham the hearing was  
adjourned to Wednesday, April 2nd, 1913, at 11 A. M.

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

5383

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and Others,  
Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5384

New York, April 2nd, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
the Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
Charles C. Burlingham, Esq., and Charles Burlingham,  
Esq., for the Anchor Line Ltd. *et. al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
Esq., for the Norddeutscher Lloyd, *et. al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
for the Allan Line, *et. al.*

5385

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., and Allan B. A. Bradley, Esq., for the Cunard  
Line, *et. al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
Asiatic Company, *et. al.*

Mr. Shipman: I offer in evidence from the  
report of the Trans-Atlantic Passenger move-  
ment number 14 for the current year 1912,

5386

*Philip A. S. Franklin*

pages 2, 3, 4 and 5 being the summarized statement of the number of passengers carried by the various steamship lines—similar to the reports heretofore offered in evidence.

Marked Defendants' Exhibit #22.

PHILIP A. S. FRANKLIN, being first sworn, testified as follows:

*Direct-examination by Mr. Burlingham:*

5397 Q. Mr. Franklin, you are vice-president of the International Mercantile Marine Company? A. I am.

Q. That is a New Jersey Corporation? A. Right.

Q. And what is your relation with the White Star Line and the Red Star Line and all the other lines? A. Generally in charge of the business in the United States of the various lines operating under the International Mercantile Marine Company.

Q. The lines operated by the International Mercantile Marine Company are what? A. Red Star Line, White Star Line, American Line, Dominion Line; I think that is all.

Q. How long have you been vice-president of the International Mercantile Marine Company? A. Since 1903.

5388 Q. It was formed in the year 1901? A. In the early part of 1902.

Q. What has your experience been in the steamship business, taking it all around? A. I have been in the steamship business since 1891.

Q. Where? A. Started in Baltimore and then came to New York and since 1891 been in New York.

Q. What line were you connected with? A. Atlantic Transport Line.

Q. And originally that line ran between Baltimore and London? A. Baltimore and London.

Q. And later it came to New York? A. It developed a line from New York to London.

Q. Did you come to New York with the Atlantic Transport Line prior to the formation of the International Mercantile Marine? A. I came to New York with the Atlantic Transport Line, which was about ten years prior to the formation of the International Mercantile Marine Company.

Q. You have been familiar with the business then for more than twenty years? A. Right.

Q. And have been actively connected with these various steamship lines since the last ten years? A. Since that time.

Q. And now you are the manager of these lines in this country—the head of these lines? A. Yes.

5390

Q. You are familiar with this Agreement "AA"? A. I am fairly well familiar with the Agreement "AA" and have worked under it since it was formed.

Q. Did you have anything to do with its drafting? A. Not the slightest.

Q. Where was that done? A. In London.

Q. You are familiar with the conference system? A. Generally familiar with the conference system.

Q. And the lines you represent are in the conference, are they? A. Right.

Q. What passenger conferences is the International Mercantile Company connected with? A. The North Atlantic Passenger Conference, the Continental Passenger Conference and the Mediterranean Passenger Conference.

5391

Q. Prior to the "AA" agreement, were there other conference agreements—passenger conference agreements? A. You had the same passenger conferences but the passenger conferences are different from passenger agreements.

Q. Quite so. Distinguish them? A. The passenger conferences are held in New York for the discussion of general matters appertaining to the business at large and not as to rates, and the agreements cover

*Philip A. S. Franklin*

5392

rates and conditions under which the business is to be conducted.

Q. And there are passenger conferences abroad also? A. Passenger conferences abroad also.

Q. In foreign— A. In foreign places.

Q. How long has the conference system been in existence? A. It was in existence when I came into the business—when I came to New York in 1891.

Q. You heard of it before, I suppose? A. Yes.

5393 Q. You say you have operated under this agreement "AA." Just prior to the signing of that agreement in February, 1908—I think it was—February 5th, 1908—what was the condition of things in the steamship business? A. A very serious rate war had been in existence.

Q. For how long? A. I would say, about six or eight months—I believe longer than that.

Q. Did you take any part in that? A. I took part in it and I was at that time representing the lines in the United States.

5394 Q. Describe in a general way what the situation was? A. The situation was such that the rates for third-class passengers were reduced to a basis of ten dollars and in some cases as low as \$7.50, which rate included not only the commission but the head tax which was paid out to the Government—being an absolutely demoralized condition of affairs.

Q. It is hardly necessary to ask whether there was any profit in such business? A. That meant that the third-class business was carried at a very serious loss.

Q. Do you know what led to the formation, or the execution of this new agreement in 1908? A. Well—it was unreasonable for the lines to continue such a ruinous fight.

Mr. Guiler: I should think that Mr. Franklin should state the facts instead of characterizing them. I object to the way he has stated it.

*Philip A. S. Franklin*

5395

Mr. Burlingham: State, if you know, what led to the formation—to the execution of this agreement?

A. The very natural result of conducting the business in that chaotic state.

Q. What do you say, from your experience, as to the necessity of agreements of some form in the steamship business?

Mr. Guiler: Objected to as calling for a conclusion.

A. I do not see how the steamship passenger business can be conducted satisfactorily without agreements, just as any other transportation business. It requires agreements. 5396

Q. Explain that more fully? A. Our first and second-class agreements are no more than the arrangements under which the railroads are working in the United States.

Q. Give an instance? A. We simply establish minimum rates for certain specified steamers—specific steamers, exactly as a railroad does from New York to Buffalo; in one case the Lehigh Valley, in the other case the New York Central and in another case a better train on the New York Central. They merely establish a rate based on the efficiency of their service, length of time required, and the train service which they are offering. 5397

Q. Do you say that the business of the steamship transportation is analogous to that? A. As far as I can see it is exactly the same.

Q. I direct your attention to this question, what is the necessity of agreements?

Mr. Guiler: Same objection.

A. The necessity is exactly the same as the necessity in the case of the railroads. If the railroads or the steamboats did not have these agreements all the

*Philip A. S. Franklin*

5398

best trains would get all the business and the largest steamers would get all the business and it would mean the survival of the fittest and the man who could put out the greatest number of steamers could control the business.

Q. Have you been referring to all kinds of passengers? A. I have been referring particularly to the first and second-class business because I refer to the minimum rates, but the same line of argument applies to the third-class business.

5399

Q. I want to know what, generally, in your opinion, is the reason for establishing a system similar to "AA" for third-class passengers? A. If we did not have an agreement similar to "AA" the line that could put in, from year to year, new steamers, would gradually absorb all the business. The agreement "AA" gives and retains for the weaker lines their share of the business that they have established.

Q. How? A. By an agreement under which the business—if one operating under the agreement is exceeding his fair proportion of the business he has to advance his rates and thereby reduce the movement over his line.

5400

Q. Give us a more particular instance of that? A. It is being done all the time. There is no particular case.

Q. You do not have the same system for the first and second-class passengers? A. No, the same system has never been adopted for the first and second-class passengers as for the third-class passengers. The conditions are absolutely different. The first and second-class passengers are entirely guided by the time they have to sail, the steamer offering at that particular time, the accommodation they can secure, the amount of money they want to pay, whether they want a bath or without a bath and things of that kind. The third-class passengers are more or less going to and

from the same places and they are controlled more by agents. They go in larger groups and they can be influenced to one steamer or another.

Q. Is there a difference in the time of the year in which the first and second-class passengers and the third-class passengers travel? A. As a matter of fact, the tide is practically the other way between the first and second-class passengers who leave here—New York—in large quantities in May and June, which is the time when the third-class passengers are coming over in large quantities—during March, April and May.

Q. This agreement "AA" is a pooling agreement—Contains a pooling element, doesn't it? Is that essential to the agreement? A. I regard that as absolutely essential to the third-class business.

5402

Q. When you have spoken of the necessity for some agreement, did you have in your mind the necessity of a pooling agreement? A. Yes, for the third-class passenger business.

Q. Without such an agreement, what would happen? A. Without such an agreement it would be very difficult to control the agents and the result would be the demoralization of the rates which would mean the survival of the fittest and the elimination of the weaker lines.

5403

Q. Why could you control the agents better? A. Because if the lines are not working all together under a very comprehensive agreement, the agents would be endeavoring at all times to take advantage of people.

Q. This agreement "AA" has a provision, has it not, for the payment of four pounds as compensation; is that so? A. That is right.

Q. What is the object of that? A. The object of that is no one line—it would not be to the interest of any one line to try and corral all of the business or a much larger amount of the business than it is entitled to.



5404

*Philip A. S. Franklin*

Q. Is the object of that to raise rates? A. To force the lines to raise rates when they have secured their proper percentage.

Q. Is the object of that provision to raise rates generally? A. No, to maintain the business on a fair basis.

Q. What does that four pounds represent? A. It does not represent anything.

Q. It is an arbitrary figure? A. Yes.

Q. Or something that reduces cost? A. It is an arbitrary figure.

5405

Mr. Guiler: Why doesn't he explain what it is?

Mr. Burlingham: It is in the agreement.

Mr. Guiler: It is not clear what it is for.

Mr. Burlingham: He has explained what it is for.

Q. Now, Mr. Franklin, is competition excluded by this agreement, in your opinion?

Mr. Guiler: I object to that question, Mr. Burlingham.

Mr. Burlingham: Why?

Mr. Guiler: As calling for a conclusion and not for a fact.

5406

Mr. Burlingham: Very well, we will withdraw the question.

Q. What is the effect of agreement "AA" as regards competition?

Mr. Guiler: The same objection.

Mr. Burlingham: That is a fair question—go ahead.

A. No effect.

Q. What do you mean by that? A. Competition is just as keen as it was before.

Q. Explain that? A. Each line is just as anxious to secure as many passengers as they possibly can and also to offer a service to the agents and facilities and accommodations, to the agents, so that they will be always securing the business from the agents.

Q. What class are you referring to now? A. Third-class.

Q. What is the situation in regard to first and second-class passengers? A. The first and second-class competition is just as keen as it can possibly be. We are all obtaining new offices and new agencies for business all the time.

Q. You are referring to competition with the outside world or inside world? A. I do not know what you mean by inside or outside.

Q. Outside the conference? A. Oh, yes, with the conference just as much as anybody else.

Q. The agreement provides for certain percentages—has that changed at all? A. That I do not know.

Q. Is that a matter determined on the other side—in Europe? A. Determined on the other side.

Q. You are familiar with the steerage rates, of course, and have been for the last twenty years? A. Yes; I would not say for the last twenty years. I have been since 1902 or '03.

Q. Has there been a change in the rates? A. Barring war times the rate—

Q. You mean rate war times? A. Rate war times—the rates have been practically the same.

Q. Has the cost of operation changed at all? A. The cost of operation has increased in the last three years tremendously.

Q. To what lines do you refer? A. I refer to every line and every class of passenger and every part of the business—in connection with every class of passenger and every part of the business.

5408

5409

*Philip A. S. Franklin*

5410

Q. Be a little more specific, please? A. In the first place the cost of construction has greatly increased. The wages have all been increased both ashore and afloat. The cost of food stuffs, supplies, coal, oils, everything that a steamer consumes in the conduct of transportation have all increased.

5411

Q. What about the accommodations, have they changed at all in the last ten years? A. As far as the third-class passengers are concerned the Government regulations in the various countries have increased the amount of space and the nature of the accommodations—the character of accommodations which we have to give the third-class passenger and also the competition among the lines has resulted in their now having dining rooms as well as being served by stewards, whereas formerly they brought their own cooking utensils aboard and cooked their own food supplies.

Q. How about the rooms? A. The rooms—instead of the open steerage as formerly, which were much more economical for the carriage of the third-class passengers, the competition has resulted in the passengers being given in many cases rooms.

5412

Q. You are referring to third? A. There is no regulation regarding either first or second-class passengers, because the room they have is greatly in excess.

Q. You spoke of the increase in the cost of construction. Can you state more specifically what the increase in the cost of construction has been? A. The increased cost, both in the increase in the cost of material and on account of the much better accommodations which we have to give the passengers, has resulted in an increase in the cost of the steamers of about somewhere from fifteen to forty per cent, and further, the class of steamer has so materially changed that twenty years ago we were paying 250,000 pounds for a steamer for which we are now paying 1,500,000 .

pounds. I might say 250,000 pounds to 400,000 pounds.

Q. The type of steamer has been improving steadily, has it? A. The traveling public are all demanding a very materially improved and new type of steamer.

Q. How about the steerage passengers, do they have a voice? A. Steerage passengers would not travel by the line if the line did not give them an improved type of steamer.

Q. In your opinion, have these agreements—passenger agreements—had any effect in regard to the development of steamships? A. If the condition of affairs such as prevailed in 1907 had continued—

5414

Q. Meaning the rate war? A. During the period of the rate war or during any other disturbed conditions, it would have been impossible for the lines to make their financial arrangements to provide for construction, excepting those that were much more strong; that is, that did not have to consider that feature of the situation.

Q. Please explain that? A. If your earnings at a certain period are extremely bad and you are operating practically at a loss and you are not setting aside any surplus for depreciation—for the construction of new steamers, it would be very difficult to find the money and therefore you will hesitate about making the contract to build a new steamer.

5415

Q. One of your lines is the American—those vessels are under the American flag? A. Right.

Q. How many steamers are there in that fleet? A. There are four steamers operating under the American Line: The St. Paul, St. Louis, New York and the Philadelphia.

Q. They run from here to Southampton? A. Plymouth, Cherbourg and Southampton, carrying mails.

5416

*Philip A. S. Franklin*

Q. What do you say as to the effect on that line of a rate war—a period without agreements among the lines? A. The effect upon that line would have been—a continuation—a rate war would have been a very serious proposition for that line to fight—to have faced.

Q. Why? A. Because it is not a profitable service now and under these conditions they would be running at a very heavy loss.

5417 Q. Have any of the steamship lines succumbed—gone out of business during your time? A. None of the prominent carrying lines have gone out of business since I have been connected with the passenger trade.

Q. Is there any heavier burden on the American Line than on a foreign owned line? A. The cost of a boat is about forty per cent greater if built in an American yard and the cost of operating it is about thirty to thirty-five per cent greater.

Q. Is that statement you make in regard to the cost of operating based upon your own investigation? A. It is based upon our experience and it is also the result of the investigation of the United States Government under the Gallinger Commission.

5418 Q. Have you had the means of comparing in your business the cost of operation of these American steamers with other steamers of a similar type? A. You see that every day.

Q. I mean in your own business? A. Oh, yes.

Q. There have been steamers of the Red Star Line more or less like the American Line boats? A. No, not the Red Star Line. We have had other steamers.

Q. The petition here charges that these companies—defendant companies—that they established or attempted to establish a monopoly. From your knowledge of the business of the last twenty years and of the present existing conditions is there any monopoly in the business?

Mr. Guiler: I object to that. That is the very matter at issue here. Mr. Franklin should not answer that question. I object to that and if it is answered I will ask to have it stricken out. It is not a matter of fact. It should not be testified to by Mr. Franklin. Also, on the ground that Mr. Franklin is not qualified to give an opinion on such matters.

A. No, the ocean is absolutely free.

Q. Is there any tendency towards monopoly? A. No, there is no one line that could monopolize.

Q. What? A. No.

5420

Q. What, in your judgment, would be the effect of an absolute doing away with this agreement and of similar agreements? A. It would be a question entirely of the survival of the fittest. It would mean that the man who could build the greatest number of new steamers could control a greater part of the business and the weaker lines would have to drop out of the business.

Q. You have used the expression several times this morning "the survival of the fittest;" what do you mean by that? A. I mean that the weaker lines could not compete with the stronger lines, and the stronger lines would finally get control of the weaker lines, or the weaker lines would have to drop out of existence entirely.

5421

Q. By the "fittest" then, you mean the strongest and most powerful? A. The strongest and most powerful.

Q. Mr. Franklin, you have spoken of the situation of American vessels under the American flag; apart from this view that you have expressed as to the effect of a condition without agreements of any sort, tell me what the situation of the American owned vessels would be, the American vessels under the American flag without agreements; I mean are by the American

5422

*Philip A. S. Franklin*

vessels, under the American flag, in any different situation from any other weaker line; are they peculiarly open to attack?

Mr. Guiler: Objected to as conjectural.

A. It would be more difficult for a steamer built in America under the American flag to compete with a foreign flag steamer without an agreement, because the American steamer is operating under a very great handicap at any rate.

5423 Q. Such as you have described? A. Such as I have described; in the cost of construction and cost of operation. Now, if she has got to be under a further handicap it is an absolutely impossible proposition.

Q. The American line receives certain funds for carrying the mails, from the Government, does it not?

A. I know, but after all this question, I don't know whether this is—

5424 Q. Go ahead? A. This question comes down to the matter of how you can invest your capital. You could not expect any American investor to put money in American built steamers operated at greater cost and greater—costing more money and costing more to operate, and realizing that she had to go into a competition with no agreement against the foreign constructed steamer, a steamer built abroad at less cost and operating at less expense. Nobody would invest any money in a proposition of that kind.

Q. Then, if I understand you, the agreement is essential to the operation of the American line?

Mr. Guiler: Objected to as a conclusion and the matter in issue.

A. As I have testified before, an agreement, in my opinion, is essential to the operations of the steamer, whether under American laws or foreign laws—under the American flag or the foreign flag—

but the American flag is at a greater disadvantage than the foreign flag under all the circumstances.

Q. In other words, as I understand it, you say it is essential in every case, but it is more essential for the American than under the foreign flag?

Mr. Guiler: Same objection.

A. Much more.

By Mr. Spooner:

Q. When was the *St. Paul* and her sister ships constructed? A. They were constructed in about 1895. That is, they were put in commission about 1895.

5426

Q. When was the Hanna-Payne subsidy bill—do you remember what year that was pending? A. In 1894 and 1895.

Q. It was stated at that time that it cost, as I recollect it, twenty-five per cent more—it was stated at that time it cost twenty-five per cent more to build a ship in an American yard than it cost to build the same ship in any foreign yard? A. In my opinion that was an under-estimate.

Mr. Guiler: I object to this question and any subsequent questions and answers along this line as incompetent, immaterial and irrelevant, and ask to have them stricken out, the only question at issue here being whether the defendants have combined and conspired to restrain and monopolize trade.

5427

Q. It was stated that it cost thirty-three and one-third per cent at least, more to operate a ship under the American flag than it did a ship of corresponding tonnage under a foreign flag? A. That is about correct.

Q. Since that time, as I understand you, the difference in cost of constructing a ship in the Ameri-



5428

*Philip A. S. Franklin*

can yard and the same ship in a foreign yard has increased? A. No, in my opinion, it has not increased; I may be wrong, because I say that at that time it would have cost more to construct in an American yard than twenty-five per cent; previous it would have cost about forty per cent—it would have cost about forty per cent.

Q. You think it would? A. At that time.

Q. And to operate it you think the difference would be more than—it would cost more to operate it? A. It would cost to operate it about thirty-five per cent. Your statement on the operation was about correct, 5429 thirty to thirty-five per cent.

Q. Then the American ship starts out as against a ship of corresponding tonnage, or vessels carrying the register and flag of another country, would be handicapped seventy-three at least, per cent? A. Well, you can hardly add the two, for the reason that in your thirty-five per cent you have taken a lot of the charges which follow on account of the increased cost, such as increased insurance, increased depreciation and increased interest.

Q. You are speaking now as compared with 1899 and 1901 and 1902? A. No, I am speaking that you cannot add the forty and the thirty-five, making it 5430 seventy-five per cent more; the two are absolutely distinct.

Q. What is the gross difference in your opinion? A. The gross difference—

Q. The real handicap? A. The real handicap you could put it down at thirty to thirty-five per cent.

By Mr. Beers:

Q. Mr. Franklin, from your experience in the steamship business, do you think it possible for passenger lines to be run on the North Atlantic route now in a manner which would conform with statute in the

*Philip A. S. Franklin*

5431

United States and England and which would conform to the requirements of the public unless passenger rates are relatively stable? I mean, for any considerable period of time? A. You could run them, but you would be running the risk of incurring heavy losses; therefore, it depends upon your financial arrangement as to how long you could run them.

Q. Could passenger lines now operating in the North Atlantic be run for any considerable period of time in the manner that the public now require unless the passenger rates were relatively stable? A. Those of the stronger lines that have large interests elsewhere could be run indefinitely, but the weaker lines depending upon the results of operating across the North Atlantic would have to drop out unless reasonable and stable rates were maintained.

5432

Q. Is there any method by which reasonable and stable rates—passenger rates—can be maintained on the high seas, except by agreement of some sort between the lines? A. Not in my opinion.

By Mr. Guiler:

Q. You mean agreement between the lines? A. Between the various lines.

By Mr. Beers:

5433

Q. When you speak of the additional cost of operating ships registered in the United States, have you in mind the United States statute regulating the operation of ships and the officering and manning of ships? A. I have in mind the ship built in the United States, operated under the United States flag, and running in the mail service, carrying passengers, freight and mails, across the North Atlantic, coming under the 1891 Act.

Q. What is required in reference to the officers and seamen—changed conditions—from what would be

*Philip A. S. Franklin*

5434

required in foreign registered ships? A. Steamers built and operated under the American flag, running under the 1891 Act, require that all the officers be American citizens, all officers and engineers be American citizens, and at least fifty per cent of the crew be American citizens; therefore, they carry the American scale of wages right straight through the entire ship.

By Mr. Burlingham:

5435

Q. And these four boats that you have spoken of are run under that Act? A. The four boats we talked about were under that Act.

Q. Has the maintenance of stable rates in steerage passenger business any effect on freight conditions and cargo shipments from this country, and if so, what? A. Well, if you did not have a stable situation regarding the passenger, both first, second and third-class rates, and you have a demoralized condition of affairs there, you would have to try to make up your earnings in some other direction, and, therefore, you would have to try to get your freight rates up, the result being that reasonable and stable passenger rates enable the steamers to carry freight at lower rates than they might otherwise have to insist upon.

5436

Q. Apart from the lowness or highness of freight rates, that is, rates for the transportation of cargo, what do you say as to the importance of maintaining stable freight rates for merchants and manufacturers and shippers?

Mr. Guiler: Objected to as incompetent, immaterial and irrelevant, freight rates not being involved herein.

A. Stable freight rates are much more satisfactory as a rule, to merchants than the demoralized freight rates, so that a merchant booking his cargo one day

*Philip A. S. Franklin*

5437

may have to pay more than his competitor the following day, and, therefore, his competitor would be at an advantage in his sales abroad.

Q. Generally speaking, the cargoes that we send from this country are coarser cargoes than those that we receive here? A. The bulk of the cargo that moves from this country is of a coarser nature than that which is imported.

Q. Take, for instance, the movement of steel rails, grain, flour? A. Grain, cotton, steel rails, oil cake and other food stuffs, raw materials.

Q. Many of these articles are sold on the exchanges, are they not? A. They are.

5438

Q. I want to confine my question to the effect of stable passenger rates on freight rates, what it is? A. The stable passenger rates result in regular—the maintenance of regular transatlantic sailings which are very beneficial to the merchant, both the exporter and the importer. It enables him to have a regular weekly sailing to many places where otherwise he would not have, and if you had the demoralized passenger situation you would be very apt to reduce your sailings and thereby interfere with the regular ebb and flow of freight traffic.

Q. I suppose you carry in these large express steamers here more or less freight, don't you, cargo?

5439

A. The large express steamers carry a fair quantity of the higher class of freight.

Q. Do you attribute the improvement in the quality of steamers in any part to the system that has been established here in the last few years?

Mr. Guiler: Objected to as conjectural and as calling for opinion and conclusion.

A. The present magnificent steamers would probably not have been constructed if it had not been for the passenger agreements that existed from time to time.

*Philip A. S. Franklin*

5440

*CROSS-EXAMINATION by Mr. Guiler:*

Q. Now, Mr. Franklin, you were speaking sometime ago about the four pounds which are paid into the pool by the line in excess of its share. Now, do you say now that a line can indefinitely go on being in excess and increasing its carrying irrespective of its percentage? A. The spirit of the agreement was that the lines should not carry more or less; that the lines should carry about in accordance with their percentage.

5441

Q. And should maintain that percentage practically intact as far as it is possible? A. The object of the agreement was that the lines should maintain that percentage as closely as possible.

Q. And measures would be taken by the other lines if it did not maintain that percentage as closely as possible? A. The other lines would expect the line that exceeded its percentage to increase its rate.

5442

Q. So that you would not say, would you, that a line could go on increasing to such an extent and paying in this \$20 into the pool until it took away practically all, or nearly all, of the business from the other lines? A. The very object of this agreement is to avoid the stronger lines taking away, or attempting to take away, all of the business from the weaker lines.

Q. That is, a line should not—a line has really, then, no incentive to go beyond its percentage, has it? A. A line has the incentive to go beyond its percentage, because it would like to carry as many people as it could, but if it continued that policy any length of time the other members of the agreement would raise very strong objection, and I think the agreement gives some right to arbitration, but I have forgotten that, as a remedy.

Q. Then there is a certain point in this—the lines may reach a certain point where they cannot go any

*Philip A. S. Franklin*

5443

further in increasing their carryings under this agreement? A. The lines have not the right of increasing their carryings indefinitely—

Q. I mean the particular line? A. Any one line increasing its carryings far beyond its percentage under the agreement would be requested by the other parties to the agreement to increase its rate with the view of stopping the movement of traffic over that line and throwing it to the weaker lines.

Mr. Spooner: To prevent monopoly?

The Witness: To prevent monopoly.

Q. There is a certain rate, is there not, provided for in this agreement below which these lines cannot go, a minimum rate? A. There is a minimum starting rate. I don't know how that is in each case, but there was a minimum starting rate in the agreement.

5444

Q. And the line could not in order to increase its carryings go below that certain minimum, could it? A. My understanding is the lines cannot go below the minimum rate mentioned in the agreement; but that is covered by the agreement.

Q. You would say, Mr. Franklin, that this question and answer are correct? This answer is to a question put to you by Mr. Hardy, at page 599 of the investigation of the so-called shipping combine. In talking about the line going into the plus or the minus in the pool; the question is: "It is not to the interest of a company to reduce below this minimum anyhow, is it? Mr. Franklin: It is not to the interest of anybody to reduce below that minimum. Mr. Hardy: For the simple reason that if they are not getting their share of the freight and passengers, they are getting their share of the money? Mr. Franklin: Yes; if they are not getting their share of the freight they are getting their share of the money. The point I wanted to bring out was that if they are not getting their share of the business, although they are getting their share of the

5445

*Philip A. S. Franklin*

5446

money, the man who is getting an excess of business is putting out more money and effort, and he is using that capital and getting no return on it." That is correct, is it? A. It applies to an entirely different proposition. It applies to the freight business; cargo, as applying to freight.

Q. I think you were talking about the passenger situation? A. No, the thing does not apply in the passenger business.

Mr. Bullowa: Mr. Guiler, will you state what paper you are reading from?

5447

Mr. Guiler: I did state.

Mr. Bullowa: Will you state again?

Mr. Guiler: Page 599 of number ten of the hearings before the committee on the Merchant Marine and Fisheries of the House of Representatives.

Mr. Bullowa: Is that an official document, Mr. Guiler?

Mr. Guiler: Certainly it is.

Mr. Bullowa: Won't you have it marked so that we may have it in the record?

Mr. Guiler: No, I shall not have it marked. I am asking for his recollection.

5448

Q. Now, Mr. Franklin, I ask you now if that question and answer or those questions and answers, are correct? A. Will you kindly have the questions and answers read?

Q. I was just asking if your testimony before the committee, which I have read to you, is correct? A. It is correct, yes.

Q. Now, it is a fact that when a line is minus in the pool that four pounds is paid for every passenger that that line lacks of its share, isn't that right; it is paid by the other lines? A. Well, the excess line pays into the pool and the line not carrying its percentage receives from the pool.

Q. The four pounds? A. Whatever the proper amount is.

Q. You said it was fixed at four pounds, didn't you, sometime ago? A. That is my understanding.

Q. So that whether a line carries its full percentage or not it gets that four pounds for each passenger that it lacks? A. It receives a compensation for the passengers that it has not carried, considering its percentage; but if it did not immediately force a situation which would put it in a position where it would carry its fair percentage the next time they came together to complete an agreement they would be very apt to be told that as they had not been able to show that they could carry that percentage that they were not entitled to the said percentage; therefore, every line is keen and anxious to carry its proper percentage, and that is where the competition comes in.

5450

Q. Now, on that statement there is nothing in the agreement which would induce the line or make it possible for the lines, members of the conference, to increase their percentage, is there? A. As I remember the AA agreement, there is nothing during the life of that agreement which gives the line any right to secure an increased percentage; but, if during the operation of that agreement it was clearly demonstrated that one line had a percentage of their own far in excess, or far below what it was entitled to, before that agreement could be continued it would be very difficult for either one of those lines to maintain their present position.

5451

Q. That is, the other lines would be apt to— A. Insist upon an adjustment.

Q. Insist upon an adjustment? A. Yes.

Q. What do you mean by an adjustment? A. I mean to say if a line was entitled to four per cent in the pool and it demonstrated clearly that it could only



5452

*Philip A. S. Franklin*

carry three per cent, when the time for renewal came around it would be very difficult for it to maintain its position and demanding more than three per cent and vice versa.

Q. But the spirit of the agreement as it has been carried out is that the lines should carry their particular percentage and no more and no less, is that the idea? A. That is the spirit of the agreement. I think that it is so worded in the agreement.

5453

Mr. Bullowa: Will you note on the record Mr. Guiler is examining the witness from the report of hearing before the committee on the Merchant Marine and Fisheries?

Q. Now, Mr. Franklin, you have stated as I remember it that there is competition between the lines members of the Agreement "AA" is that so? A. Yes.

Q. Now, does that apply to all the lines that are members of Agreement "AA"? A. In my opinion, yes.

Q. Does it also apply to the Hamburg American Line? A. The competition between the Hamburg and the other lines?

Q. Yes? A. Oh, yes.

5454

Q. Didn't you state on page 641 of volume ten of the committee on Merchant Marine and Fisheries, as follows—this question that was put to you—"Mr. Humphrey: To put the question in another way, the Hamburg American in its field today has no active competitor, has it? Mr. Franklin: It has competitors on all its through business and indirect business and that sort of thing, but between its main North Atlantic ports it has no active competitor." That is correct, isn't it? A. I am talking entirely in that case on freight, and Agreement "AA" does not cover there, and it covers the passenger business and the passenger business is in very large per cent destined to other

*Philip A. S. Franklin*

5455

points than Hamburg. In other words, it is through business.

Q. I want to know if that statement is correct that you gave there? A. It is correct as far as the freight destined to Hamburg is concerned. That is what it meant.

Mr. Bullock: I don't think you should take part of that testimony; the whole thing goes together.

Q. Now, Mr. Franklin, in your experience how many vessels have you placed out for building in the United States or contracted for yourself for building in the United States? A. When I was general manager of the Atlantic Transport Line in 1899 and 1900 we let contracts for six vessels; those are the only vessels I have had anything to do with in construction.

5456

Q. Did you have anything to do with figuring out the cost of those vessels? A. A great deal to do in figuring out the cost of those vessels, also the cost of similar vessels to be constructed abroad at the same time.

Q. Did you figure them yourself, or did you have them supplied to you by others? A. Our people of the company figured them for us.

5457

Q. You had no personal experience in figuring them out yourself, had you? A. I didn't do the actual figuring; I saw that they prepared the figures.

Q. You were relying on somebody else who was doing the figuring for you? A. Of course, we were; the details of the figures themselves.

Q. You did not superintend the building of those vessels, did you? A. I did.

Q. You mean you actually superintended the construction of them yourself? A. The superintendent of those vessels, the man who actually superintended the construction, reported to me.

1819

5458

*Philip A. S. Franklin*

Q. Didn't you give them out to some shipyard to build for you? A. Some of them were built on a percentage basis, and some on a contract basis and they were all inspected regularly by us.

Q. Not by you? A. By the superintendent who reported to me and I saw them from time to time.

Q. So that you had no personal experience in the actual building of vessels, or any actual figuring of the cost of building? A. I saw those vessels from time to time during the course of construction; I was generally in charge of the construction of the vessels.

5459 Q. I said you did not do the actual figuring of the cost of the vessels, did you? A. I am not an accountant.

Q. I want a direct answer to that, if you can, Mr. Franklin, and I think you can? A. Certainly we did the actual figuring.

Q. (Question read as follows): So that you had no personal experience in the actual building of vessels, or in the actual figuring of the cost of building? A. I had a great deal of personal experience in the actual figuring of the cost and construction of the vessels, because the people who figured the actual cost and inspected the vessels during the course of construction and any alterations, were all reported to and were under my supervision, reported to me.

5460

Q. You were not running the shipyard which built the vessels, were you? A. I was not running the shipyard which built the vessels, but I was running the people who were looking out to see the vessels were built in accordance without contract.

Q. Have you had any experience with the actual supply of vessels, figuring out the cost of supply and so forth, and maintenance details? A. I have had experience in figuring out what it cost to operate certain vessels in certain trades and what the cost of operation in those trades, and the cost in the trade

when we are chartering or fixing vessels in other places.

Q. But not in the North Atlantic trade? A. I have had in the North Atlantic trade the detailed cost of operating the vessels in every department put before me for years and the comparison of one year versus another year.

Q. You superintended the maintenance of the vessels and the maintenance of the cost and so forth, but you did not do the actual supply work yourself? A. I did not inspect supplies as they were delivered to the vessel, but appointed a man to do that who reported to me.

5462

Q. In other words, you did not do the purchasing of the supplies yourself, did you? A. I did not personally do the purchasing of the supplies, but the man who purchased the supplies was appointed by me and reported to me.

Q. Now, you say if a rate war should supervene amongst the various lines you feel that the result would be some of the weaker lines would have to go out of business, is that true? A. I do.

Q. Now, do you see anything particularly wrong with a line that is not able to maintain itself in the business, to maintain business in competition with other lines going out of the business; what is particularly wrong about that line going out of business? A. If the results from operation do not justify the continuing in business I think it is the right thing for them to get out of the business.

5463

Q. That is, if they do not maintain that they ought to stay in it they ought to get out? A. If they cannot make money in the business they had better get out.

Q. And they had better get out and let the stronger lines take the business if they can, isn't that right?

A. That is entirely a matter for the owners of that line to decide.

Mr. Burlingham: You mean the weaker line or the stronger line?

The Witness: The weaker line.

Q. What I mean is, you do not believe in the stronger lines supporting lines which have no right to exist, do you, on the basis which you have previously stated here? A. It is not a question of the lines not having a right to exist; it is a question of their financial arrangements, their earning capacity, and whether or not they can exist; they will have the right to exist.

Q. They have the right to exist, but have the ability to exist, I will change it to that, without the assistance of others? A. It is purely an economical proposition.

5465

Q. I know; that is why I asked you; I want the benefit of your experience on that proposition.

Mr. Burlingham: You want to know if he is in favor of monopoly?

Mr. Guiler: No.

A. I think everybody has the right to exist if they possibly can.

Q. I want to know whether you think that fifteen steamship lines, we will say, should support four others which are admittedly weak and which admittedly could not exist without the support of the other fifteen? A. They could exist if reasonable and fair rates were maintained; but if the stronger line wished—or the stronger interests—wished to reduce their rates to an unreasonable basis with a view of eliminating the weaker line they might not be able to continue to exist.

5466

Q. You say that in the strife of competition which would be induced by a rate war those other lines which I have mentioned, those four other lines, probably could not exist? A. If the rate war continued for any length of time the result of their operation might be such a loss that they would have to be sold

*Philip A. S. Franklin*

5467

and drop out. That has been the history of other lines in the past.

Q. Do you find that in the trade today there are enough or more than enough vessels to take care of it? I am referring to the three classes of passenger trade principally? A. There are enough vessels in the trade today to take care of three classes of business. If the business increased the steamers would have to be increased.

Q. Yes, but don't you find that for the last, say twenty-two years, there has been a tendency to build more and more vessels as time went along? A. There is a great tendency to build very much improved vessels, as demanded by the travelling public, and, of course, the number of vessels would increase, has increased and will increase as the general trade increases offerings for those vessels.

5468

Q. But during that same time that increase in the construction of vessels has continued do you find that at all times the number of immigrants has increased in proportion to the number of vessels, the carrying capacity of the vessels? A. The number of emigrants moving backwards and forwards across the Atlantic varies year by year. A year of great prosperity in this country will bring in a great many more immigrants and a year of depression in this country will result in many more immigrants going home. Now, the figures all show that immigration rises and falls in accordance with the conditions in this country.

5469

Q. So that some years there are a far greater number in capacity of vessels than in proportion to the number of emigrants, is that right? A. At certain seasons of some years the vessels have a larger capacity than the number of emigrants moving at that time.

Q. I am now referring to the period twenty years back, take your experience twenty years back? A.

You have got to take the period; you have got to take the different seasons of the year.

Q. I am averaging those twenty years? A. You must take the season of the year because there are certain times of the year when third-class passenger accommodations are not half filled and you are using them for freight.

Q. I mean admitting all of that there have been some years that were better than others? A. There have been some years when the immigration has been very large and other years very much reduced.

5471 Q. Do you remember what was the situation in regard to immigration about 1907, just prior to the agreement "AA"? A. I think—my recollection is—that the spring of 1907, was a fairly good year, but not a very big year.

Q. Do you find that in the trade of these passenger vessels that the passenger situation control the freight situation? A. The passenger situation does not necessarily control the freight situation. If the passenger business was particularly bad it might result in a reduction of sailings and thereby reduce the freight service, that is all.

5472 Q. That is, in some services from your experience you have found it to be a fact that the freight carrying of the vessels is to a great extent disregarded where the vessel is essentially a passenger steamer? A. There are some services where the freight situation is a very secondary one, a secondary consideration.

Q. Don't you think that that is so in regard to the passenger services of the North Atlantic? A. I would say generally speaking no; but there are certain steamers in the North Atlantic where the freight feature is of really no importance, but when you talk of the trade as a whole it is rather a different thing.

Q. You would take the situation to Hamburg, Bremen and Antwerp and Liverpool and London;



now, that situation, there the passenger service controls, does it not? A. Not in every case. There are some services running across the North Atlantic that carry no passengers.

Q. I mean where you have a vessel carrying passengers and also freight, the passenger vessels in those services control—do they not? A. There are certain steamers that in the Liverpool, Hamburg and Bremen trade, that are operated practically entirely for their passenger business, and the freight business a very small factor. There are other steamers in those particular trades that are operated for their freight purposes and passenger business is a small factor.

5474

Q. Now, take the Mediterranean trade, what do you find in regard to the passenger and freight situation there? A. The Mediterranean trade is, as far as the larger lines are concerned, you might say practically a passenger service.

Q. So that in that trade the freight is to a great extent disregarded, is that right? A. It is impossible to say that it is disregarded. We are just as anxious to get freight as we can be; but it is not the important factor that the passenger business is, and the steamers are run for their passenger business.

Q. The rates you have stated for third-class passenger trade have been practically stable for the last ten years, is that right? A. Barring certain times of rate war they have been more or less stable for the last ten years.

5475

Q. That has been, has it not, more or less, the result of agreement "AA" and other subsidiary agreements, has it not? A. It has.

Q. And that state of affairs then has been by agreement between the various lines who were members of the "AA" agreement? A. Whenever the agreements existed.

Q. Yes. And the rates both under "AA" and under the first and second-class agreements have been



fixed also by agreement, have they not? A. They are all fixed today by agreement.

Q. But they have been, have they not since those agreements have been in effect? A. They have been practically since 1908.

Q. The number of vessels upon the North Atlantic trade sailing under the American flag are very small, are they not? A. Very small.

Q. What proportion of those vessels would you say are American vessels? A. You mean on the North Atlantic trade?

5477 Q. Yes. I mean running between here and London and Liverpool, Hamburg, Bremen and various other points? A. You don't take in the Mediterranean?

Q. Yes? Take that in? A. It would be purely a guess on my part; it would be a very small per cent on account of the regularity of the American Line's service; they make a good many voyages.

Q. Practically the American Line is the only third-class passenger carrying line under the American flag, is it not? A. It is the only third-class passenger carrying line as a line, but the Red Star Line have two steamers, the Finland and Kroonland, they carry first, second and third-class passengers to Antwerp. There are only six steamers carrying the American flag carrying passengers across the North Atlantic.

5478 Q. You believe then, to come back to another subject, that without agreement "AA" there would be several lines that could exist and could take care of passenger business upon the North Atlantic? A. I would not express any opinion as to how many lines could continue without that agreement.

Q. What lines did you have in mind? A. I haven't any lines in mind.

Q. You would not nominate what you term the strong lines that would exist? A. It would depend upon the financial position of the line.

Q. But there would be several of them in your mind that could exist irrespective of the agreement "AA"?

A. Some of them are bound to exist.

Q. About what proportion of them would you say?

A. I could not say, because I don't know enough about their finances, their commitments and how economically they can carry their business.

Q. But you feel that in your opinion there would be some lines that could exist irrespective of "AA" whether it existed or not? A. I am going by past experience, as in the days of very fierce competition there were certain lines that had to drop out, and I take it for granted there are others that would have to do the same if the situation should revert to that condition.

5480

Q. But there would be some that could continue; I think you mentioned "the survival of the fittest"?

A. There is no doubt in my mind that there would be some that could continue and would continue.

Q. That would be the fittest of the various lines?

A. Those would be the lines that are now strongest financially and have the greatest number of the most modern ships, and could afford to build more modern ships.

Q. Of course, we are predicting here, Mr. Franklin, in your prediction in regard to what would happen your opinion is that those lines, could, those stronger lines, could adequately take care of the business? A. That I would do what?

5481

Q. That those stronger lines could adequately take care of the business? A. In time they could if you gave them time to build.

Q. That is, the dropping out of the smaller lines would be a matter of some years, would it not? A. That is entirely a question of how severe the fight would be; how long it would last, and depend upon the movement of traffic at the time.

Q. But in your experience, looking back on previous rate wars, you don't think, do you, that the lines would go out of business immediately, the weaker lines would go out of business immediately? A. Oh, not necessarily immediately.

Q. But you feel that there would result certain lines that would take care of the business finally? A. The result would be that the weaker lines could not improve their tonnage; they could not build new ships, whereas the stronger line could make financial arrangements which would enable them to build ships and, therefore, the weaker lines will in due course find themselves with nothing but obsolete tonnage and obsolete tonnage cannot compete with modern tonnage; it would be a gradual elimination of the people who were not strong enough to handle the business.

5483

By Mr. Beers:

Q. Mr. Franklin, do I understand you to testify that steerage rates varied in respect to the quality of the different ships; that is, that the rates on the slower and older ships were lower than on the newer and faster express steamers? A. The rates will vary on the ships even of a particular line. The line may have minimum third-class rates, but it may charge a little more for a faster and better steamer than it charges for one of its other steamers.

5484

Q. As a rule, are the newer and faster steamers built by the lines having the greater financial resources? A. I think that applies to the North Atlantic passenger business, but it may not apply to the shipping as a whole, because there may be some smaller companies whose financial position may be a great deal stronger than the larger and more prominent company, but they may not want to add large passenger carrying ships to their fleets.

Q. If the weaker lines were to be driven out of the North Atlantic passenger business would that in your

*Philip A. S. Franklin*

5485

judgment tend to deprive the public of the advantage of the cheaper ships? A. The driving out or the elimination of any of the weaker lines would probably be done by the construction of larger and faster steamers by companies whose finances would permit such construction, and that may gradually eliminate the less expensive too. The less expensive steamer; it might result ultimately in a higher rate, but that would be quite a long time; a long process.

Q. In your judgment and from your experience in the steamship business do you think the present steerage rates on the North Atlantic charged by the lines parties to Agreement "AA" are reasonable?

5486

Mr. Guiler: I object and ask to have the answer stricken out if put in.

Mr. Beers: Do you object to it as leading?

Mr. Guiler: No; objected to as calling for a conclusion and for matter in issue on the facts

A. I consider them extremely reasonable, and I think the recent increased costs justify a further increase in the rate.

Q. During your experience in the steamship business has there ever been a time when the steerage passenger got more for his money than he does now?

Mr. Guiler: Same objection.

5487

A. Never as much as he is getting now.

Q. Has there ever been a time when the cost of building ships and running them was greater than it is now?

Mr. Guiler: Same objection.

A. Never; and feeding the passenger.

By Mr. Bullowa:

Q. Would the elimination of the weaker lines ultimately tend to a monopoly by the survival of the stronger lines?

Mr. Guiler: Same objection.

A. It certainly would.

By Mr. Spooner:

Q. Mr. Franklin, you have been asked what would be the effect if none of the lines were permitted by law to be member of the "AA" Agreement, and your answer to that was that the weaker lines would be eliminated? A. My answer to that, if I remember was it would be very apt to bring on rate wars from time to time and gradually result in the elimination of the weaker lines.

5489

Q. That might not be so gradual either? A. It might not be.

Q. Suppose the laws of England and Germany and Holland and France, flag states of all of these lines, prohibited any agreement or understanding between the steamship lines, and by steamship lines I mean steamship companies owning and operating lines of steamships, in respect of the restraint of competition, what would be the effect?

Mr. Guiler: I object and ask to have it stricken out as immaterial, irrelevant and incompetent.

5490

Mr. Spooner: I ask to have it answered because it is material, relevant and competent.

Mr. Guiler: And calling for a conclusion and conjectural.

A. The effect would be demoralization in passenger—a great tendency towards a demoralization in passenger rates both east and westbound across the North Atlantic, and you would reach exactly the same conclusion; it would be the elimination of the weaker and the survival of the stronger who would ultimately get control of the business.

*Philip A. S. Franklin*

5491

Q. That is the very weak would go out quickly and then the less weak and leave the field in possession of the stronger? A. Quite right.

Q. Now, operating under that what would be the ultimate result? A. The ultimate result would be the business would get into the hands of one or two or three steamship lines.

Q. Imagine there would be no understanding or agreement in regard to rates, what would be the result as to that? A. If you have no understanding or no agreement regarding rates two people can work with less ruinous competition between themselves than ten people or fifteen people, and you can apply that as you go along.

5492

Q. If they did not have some understanding with each other in some way or other about keeping up the fares— A. They would gradually work into a point where they would have just as good an understanding as if they had a written agreement, if they got down to two lines.

Q. Suppose they had not? A. Then one or the other is bound to swallow the other in time.

By Mr. Guiler:

Q. Mr. Franklin, while these various lines were going through the process of swallowing each other the public would get the benefit of lower rates, would they not? A. The public might have the benefit of lower rates, which would only be a temporary matter during the swallowing process; ultimately they would have to pay for it.

5493

Q. That is, those particular persons would not have to pay for it? A. The people that travel today or at the time might not have to pay for it, but their children or others might have to.

Q. You mean the lines would make them pay for it by raising the rates to make up for what they had lost?

A. They would ultimately have to come back and raise the rates for the cost of building and operating their ships and getting a fair revenue, which is all they are getting out of it now.

Q. But supposing those two lines that you spoke of that were left, those lines you think would continue much longer competing with each other than say ten or twelve lines? A. Of course, we are rather narrowing it down to a ridiculous number when we talk of two lines for this tremendous business.

5495 Q. I am taking your own views; that is what you said; two lines could get along better competing with each other than half a dozen? A. I said that if you could finally narrow it down to two lines they could get along without violating any laws, and yet maintain reasonable and profitable rates and conditions among themselves.

Q. And they could get along likewise in competition with each other? A. They could probably get along in competition because by that time you would have narrowed down to a point where they would be on all fours; they would be practically equal.

5496 Q. That is, they would be two highly efficient lines, is that what you mean? A. If I could bring it down to that ridiculous number you might find yourself with two highly efficient lines, with very similar steamers, operating very similar services, and with such conditions, briefly, there would not be so much necessity for an agreement.

Mr. Spooner: They would simply have to nod to each other or else there would be a smash.

The Witness: I think that, of course, brings it down to a ridiculous point.

At the request of Mr. Bullowa "Hearings before the Committee on the Merchant Marine and Fisheries, House of Representatives, num-

*Philip A. S. Franklin*

5497

ber ten" is marked Defendants' Exhibit #23 for identification.

Hearing adjourned to Monday, April 7th, 1913, at 11 o'clock A. M.

---

UNITED STATES DISTRICT COURT,

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5498

Before Charles E. Pickett, Esq., examiner.

New York, April 7th, 1913.

Upon consent hearing adjourned to Tuesday, April 8th, 1913, at 11:00 A. M. 5499



5500

UNITED STATES DISTRICT COURT,  
SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG-AMERIKANISCHE PACK-  
ETFAHRT - ACTIEN - GESELL-  
SCHAFT and others,  
Defendants.

5501

Before Charles E. Pickett, Esq., examiner.

New York, April 8th, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Henry A. Wise, Esq., Henry A. Guiler, Esq., for  
the petitioner.

Messrs. Burlingham Montgomery & Beecher, by  
Charles Burlingham, Esq., for the Anchor Line, Ltd.,  
*et al.*

5502 Messrs. Choate and Larocque, by Nelson Shipman,  
Esq., for the Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq.,  
for the Allan Line, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
Esq., for the Cunard Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
Asiatic Company, *et al.*

*Isidore Frederick Hellmuth*

5503

ISIDORE FREDERICK HELLMUTH, called on behalf of the defense, testified as follows:

*Direct-examination by Mr. Spooner:*

Q. What is your full name? A. Isidore Frederick Hellmuth.

Q. Where do you reside? A. In Toronto, Canada.

Q. How long have you resided there? A. Well, in Toronto I have resided for about thirteen years.

Q. You have lived in Canada, however? A. I have lived in Canada for a great many more years than that.

Q. Are you a member of the Bar in Canada? A. I am a member of the Bar in Ontario and have been since 1887.

5504

Q. Are you a king's counsellor? A. I am one of his majesty's counsel in the Province of Ontario and have been for some ten or fifteen years.

Q. Are you a member of the Bar in England? A. I am a member of the Bar in England, I am a member of the Inner Temple of the Bar in England, and have been since the same year 1887. I was called in that year in England and afterwards in Ontario.

Q. You have been engaged and are now in the active practice of your profession? A. I have been—I may also say—since 1877—if one dare state so long in the practice of the profession. I have been a little more active in the last fifteen to twenty years, perhaps.

5505

Q. You are acquainted with the law in Canada in respect to the restraint of trade and commerce? A. I am.

Q. And with the laws of England? A. I am.

Q. And decisions of the courts? A. I am.

Q. In both countries? A. I am. We have in Canada, we have to follow the decisions of the Courts in England, they are binding upon us, because our highest Appellate Tribunal is controlled by the Privy Counsel.

5506

*Isidore Frederick Hellmuth*

Q. Have you read what is known as Agreement "AA" entered into February 5th, 1908? A. Yes, sir, I have.

Q. By the various steamship companies whose names are appended thereto? A. I have. I have, I may say, very carefully perused that agreement and the various articles of the same.

Q. With a view to determining whether or not the same is valid under the laws of England? A. Under the laws of England.

Q. And under the laws of Canada? A. And under the laws of Canada.

5507

Q. What is your opinion as to the validity of Agreement "AA" under the laws of England?

Mr. Guiler: I want to object to that question and also to the answer and to all subsequent answers regarding the law in England and Canada on the ground they are incompetent, immaterial and irrelevant, and also on the ground that when a positive statute declares the law in this country, the laws of foreign countries are immaterial thereafter.

5508

A. Well, in my opinion Agreement "AA" is a legal agreement according to both the laws of England and the laws of Canada.

Mr. Guiler: I want to object to that answer on the further ground it is a conclusion and not in regard to the facts stated.

Mr. Spooner: It is the opinion of an expert.

Mr. Guiler: Not based on any facts stated to the witness.

Mr. Spooner: The facts stated to the witness are, he says he has read the agreement.

Mr. Guiler: I have no objection to the authenticity of the copy of Agreement "AA" which Mr. Hellmuth used, if you state that the

*Isidore Frederick Hellmuth*

5509

document which Mr. Hellmuth has read was and is a correct copy.

Mr. Spooner: It is a correct copy.

*CROSS-EXAMINATION by Mr. Guiler:*

Q. Now, Mr. Hellmuth, you have made a thorough study of this Agreement "AA," have you not? A. As far as I am capable of doing.

Q. Now, taking up—I call your attention to certain phases of this agreement and ask you separately whether they are, in your opinion, legal under the laws of England, for instance, Article 17— A. Yes.

5510

Q. You observe by that article that there is a requirement for a promissory note of 1,000 pounds to be filed for each per centum proportion which each of the lines receive? A. Yes, sir.

Q. And that that is stated as being for the faithful performance of the conditions of the agreement? A. Yes, sir.

Q. And to be sued upon and collected in the event of not living up to the agreement? A. Yes, sir.

Q. And now that it is provided in the following event, "If the party unauthorizedly withdraw from the agreement, refusing to pay the compensation, fail to replenish the deposit, as provided by the penalties, or if they start or assist in starting a new line in competition with any of the contracting parties." Now, do you consider under those circumstances that such an agreement and such fines and penalties are legal under the laws of England, taking into consideration the fact that there is a combination of the various steamship lines in this so-called conference? A. One has to take the two meanings of the word "legal." If you mean whether it is unlawful, such a provision under the laws of England and Canada, I would distinctly say no, in my opinion. If you say whether a Court

5511

5512

would necessarily as between the parties enforce that provision I would not answer that unless I knew what had been done under the terms of the agreement. If something unlawful or illegal had been done then the Court might not enforce it. But there have been cases in England—which I think I can give you if you like—in which they have enforced provisions very similar to that,—the Court holding that it was a reasonable act that had been done. You will, of course, recall the Mogul Steamship Company actually sent out steamers to capture the trade of competing lines, and there the Court held that the Mogul Company who sued had no right as a third party—some very strong expressions were given by the lord. There are some differences—the word “legal” has two meanings. Two people can enter into an agreement which is not unlawful under certain circumstances and a Court of equity or any court would enforce it as between the two.

5513

Q. You speak of the Mogul Steamship Company?

A. Yes, sir.

Q. Would you consider under that case that the agreement is lawful, *per se* in the sense that no punishment will be brought upon the person who enters into it? A. I consider that no punishment would be brought upon the persons who entered into it, in the view of the Mogul case. I am not saying that one of the parties to it could enforce it against the other.

5514

Q. Well, you say—you make this distinction in that Mogul case, that there is no—that is, the agreement in the Mogul case, you will not consider indictable? A. No, certainly not.

Q. You would consider it is unenforcible—an unenforcible contract? A. No, I would not in the Mogul case, I would not answer it was. That question was left open, more or less by the House of Lords, they did not—my recollection is Lord Herschel, used some rather strong language in reference to being at all not

in accord with the modern ideas of competition and thought it a good thing to eliminate competition.

Q. They have recognized there, to take for instance, Lord Bowen—are you familiar with that? A. What is that?

Q. In the Mogul case. I am referring now to the Mogul case entirely? A. Yes.

Q. Lord Bowen, as I understand—stated, that his opinion was that such “contracts as they are called, in restraint of trade, are not in my opinion illegal in any sense except that the law will not enforce them”? A. Yes.

Q. And he said further, “It merely declines, after they have been made, to recognize their validity. The law considers the disadvantage so imposed upon the contract a sufficient shelter to the public.” Would you consider that to be the law in England today as regarding such a contract in the Mogul case, that it is merely unenforcible and not indictable? A. I would consider it is unenforcible and not an indictable act. Lord Hannon in that case in the House of Lords said, he thought that the opinion expressed by Mr. Justice Crompton was erroneous in stating such an agreement was indictable. You want me to go further do you—

Q. Now, I want to know whether what in your opinion is the ultimate result of the Mogul case. I am trying to sum up from the various decisions, taking the various judges together— A. I would think that in the Mogul case, that the courts would—the ultimate courts, the highest lord, would in time actually enforce it. That is a deduction I would make from that case, although, perhaps, the Court of Appeal would not have done so.

Q. Don't you find the actual decision of that case goes to this extent only—that the agreement there is that it was not illegal in the sense it was an indictable offense but, as between the parties there it would not

be enforced on the ground that it was illegal in that sense? A. Well, I think—if I may state so—they rather leave the latter portion open. That is my conclusion, with some remarks one way and some the other. But, I think rather, it would be enforceable. That is my opinion on that, re-reading the cases recently, and that is my reading of the cases in the House of Lords.

Q. Well, didn't you find in an analysis of the decisions of the various judges, that only one of the eleven judges who passed upon the contention in the Mogul case that is, Lord Coleridge was squarely of the opinion that the combination was not in restraint of trade? A. Well, I would hardly say that, because Lord Halsbury, the Lord Chancellor in the case, on page 40, said, "I am of the opinion, therefore, that the whole matter comes round to the original proposition, whether a combination to trade and to offer, in respect of prices, discounts and other trade facilities, such terms as will win so large an amount of custom as to render it unprofitable for rival customers to pursue the same trade is unlawful, and I am clearly of opinion that it is not."

Q. Have you made an analysis of the opinions of the judges, so that you can say if anything, what each one of them hold, so as to tell me whether that statement of mine is correct or not? A. Well, I won't say I took up the number of opinions arithmetically. I have not done that. I have formed my own conclusions.

Q. So that you cannot say whether or not that statement in regard to the judges is correct or not? A. No. I would not like to make that absolute statement.

Q. You cannot say whether in the opinion of one judge, Lord Morris, it was doubtful whether it was not in restraint of trade, and five judges, Lords Esher, Bowen, Bramwell, Hannen and MacNaghten, who

thought the terms of the combination would have been unenforcible, and the other four judges did not pass on the question at all. You cannot say whether that is correct or not, can you? A. Just one moment, I would not state that was the result of what Lord Morris said, for instance.

Q. You would not agree to that then? A. I would not agree to it. I would not agree with what Lord Watson said—I do agree with what Lord Watson said, but I wouldn't agree with what you stated—

Q. You have not analyzed it with that purpose in view? A. No, sir; as a matter of fact—

Q. You are giving your opinion on the whole thing as you understand it? A. Yes, sir. I ought to add this. What is the dicta would not be binding on another case in the House of Lords, because it is not one that is absolutely necessary for the decision of the case. That is the point.

5522

Q. And the only thing in that case that was necessary was whether the plaintiff in the case could recover damages from the defendants? A. Yes, sir.

Q. And the Court holds that the plaintiff could not recover damages on the ground that he had not been injured by the action of the defendants, is that right? That it was not illegal in the sense he could recover damages? A. If they had done no act that was unlawful or illegal, according to the law of England, it would not give him a right of action. That is what they lately decided.

5523

Q. Now, would you agree with Judge Taft's view of the results of the case in his decision, in the Addyston Pipe case, 85 Federal, 271, in which he says—

Mr. Spooner: Who says?

Mr. Guiler: President Taft, or Judge Taft.

Q. (Continuing): "It was held by the House of Lords that this was not an unlawful and indictable



*Isidore Frederick Hellmuth*

conspiracy, giving rise to a cause of action by the person injured thereby, but it was not held that the contract of association entered into by the defendants was not void and unenforcible at common law." I ask you whether you agree with that statement?

Mr. Spooner: President Taft did not say that.

Mr. Guiler: Yes, he did. I should say Judge Taft.

5525 A. One does not like to say—differ from so eminent a judge as Judge Taft. But I think it would require a little qualification if I passed my own opinion in regard to it.

Q. And then he further says: "On the contrary, Lord Bramwell, in his judgment (at page 46) and Lord Hannen, in his (at page 58), distinctly say that the contract of association was void as in restraint of trade. But all the law lords, were of the opinion that contracts void as in restraint of trade were not unlawful in a criminal sense and gave no right of action or damages to one injured thereby." Do you agree with that? A. No, I do not think he puts it as a majority of the Courts put it at all.

5526 Q. How would you put it? A. They simply state, we have nothing to do with the question of the enforcement of this contract and therefore we could not say whether it could be enforced or not. May I give an illustration? Suppose I make a contract with a minor. It is a perfectly good contract as long as the minor and I chose to carry it out, but the Courts won't enforce it. It does not seem to me they went any further in this case except to say they made a contract and the jurisdiction of the Court won't interfere between the parties. But if they chose to carry it out nobody can stop them. That is the only view of the contract.

Q. That is the only point in that decision? A. I think you are quite right. That is the point in this decision.

Q. Now, you are acquainted, are you not, with the case of *Rex against Hilbers*, 2, Chit., report 3, M. S., 67? A. I don't know Mr. Guiler.

Q. Well, in that case it was held, "That while it was no offense for individuals by disunited endeavor to seek to raise the price of oil, nevertheless, if there was a confederacy for such a purpose they would be guilty of conspiracy." It was held to be indictable conspiracy. Now if that appears to be the law in England today— A. No, I would not think that was the law in England today in view of such cases as *Cade & Sons, against Daly*. That is a case in 1910, 1 Irish Reports, 306, in which the manufacturers or bottlers of mineral waters entered into an agreement whereby they fixed the prices with one another not to sell within a certain territory under that price and the case came before—

5528

Q. The Master of the Rolls A. The Master of the Rolls, and he had commented on the trial of the case. It had rather gone the other way.

Q. Now, can you tell me—

Mr. Spooner: Let him answer.

5529

A. I was going to say, there has been a very considerable change in the law, in the views of the judges in regard to dealing with contracts between parties. I think they have fallen back upon rather old decisions—I think I have it here—it is a case of *Hare versus the London, etc., Railroad*, 2 Johns and H. 80; it was reported in 1861. Now, it seems to me the Courts are going back to the views which were expressed in that case. That was a case in which some eight railways had entered into a pooling arrangement, whereby they were to pool their receipts and in the agreement it

5530

*Isidore Frederick Hellmuth*

was provided that if any road earned more than its proportion as fixed by the agreement, a certain percentage only was to be given to it, they were to pay the balance of it to the others. Rates were to be fixed by the consent of five of the railroads and the agreement was to last fourteen years. Now one shareholder in one company brought an action to have it declared void and *ultra vires* and it came before the Vice-Chancellor, Sir W. Page Wood, and he held that the agreement was within the powers of the companies, not *ultra vires* and was to the advantage—

5531

Q. Now, let me interrupt you a moment. There wasn't any question was there, of a combination or any conspiracy or anything of that sort A. But they have raised the question that it was against public policy, and on that account by going out of competition it was a void policy—I wouldn't have stated it otherwise, and in fact, in the judgment, I have an extract or two here from the judgment—

Mr. Spooner: Read it.

5532

A. The one expression is, "With regard to the argument against the validity of the agreement, I make clear the ground of one objection by saying that I see nothing in the alleged injury to the public from the prevention of competition. It is a mistaken notion that the public is benefited by pitting two railway companies against each other till one is ruined, the result being, at last, to raise the fares to the highest possible standard. Except by fixing a maximum amount of tolls and, as far as practicable, a maximum amount of profit, the legislature has imposed no conditions in favor of a travelling public."

Now, I was going to say that view in some quite recent cases has been taken, that the public idea in regard to the free competition—I am speaking—

Mr. Guiler: I understand.

A. The public idea in regard to free competition being unfavorable is quite a mistake. If you have got what is a reasonable and fair rate then if possible there should be some agreement between the parties, and the two railroads should not run alongside one another cutting one another's throat and soaking the public—if I may use a vulgarism—for higher rates. I think that is the principle that is very largely weighing with the judges in England.

Q. You started to give a case of Cade against Daly. Do you find anything in there, any further decision in there than that this was an agreement between the various bottlers within a certain limited area, say sixteen miles of the city of Cork in regard to—sufficiently limited in time and space, that the Court could hold that was a legal agreement A. No, no, that is quite true. But it is the character of an agreement that is to be looked at in regard to what is a fair limitation of time and space. Take the Maxim Nordenfelt case, stating the whole world was too wide to sell big guns. The man is restrained—his partner restrained him in the agreement from selling big guns all the world over. It says it is too wide a restraint in respect to the character—I think I had a case in the Court of Appeals in Ontario immediately after that, where they actually tried to sustain—I happened to be on the other side—they actually tried to sustain a restraint of a laundryman from dealing anywhere in the Dominion of Canada. The Court said it was—

5534

5535

Q. However, in that case of Cade against Daly, the Court did not go any further than to say that the restraint in that particular case was reasonable in view of all the facts in the case? A. Quite so.

Q. And it was also—by the way, where does the Master of the Rolls stand to decide a case—how high is he in authority in the Irish Judiciary? What does he represent as compared to one of our judges here?

A. I was going to try to get at it. He is very like the Chancellor—I don't know whether you still have a Chancellor or not—that is, the Master of the Rolls is high, not higher in grade than the Vice-Chancellor. In England the Master of the Rolls is not as high as the Lord Chancellor, but the Master of the Rolls is a sort of Chief Justice among the Vice-Chancellors.

Q. He is the first trial court for equity cases practically? A. He may be one of the judges—anyone of the Vice-Chancellors.

Q. I mean, Vice-Chancellors. A. And then he would sit on appeal as well.

5537

Q. In this decision—Cade v. Daly, the Master of the Rolls he does not sit in appeal? A. Simply sits as a trial judge, as I understand it.

Q. Now, in that case he held, did he not as follows on 319, "The fact is, every case, where the question of restraint of trade or partial restraint of trade has arisen or may arise, must be considered in the light of its own facts and circumstances." That is a correct ruling, isn't it today? A. Quite so.

Q. And a little influence one way or the other may change his opinion? A. As to the reasonableness, that would only apply as I say to the enforcement as between the parties. It might be a question as to whether the enforcement was reasonable or not.

5538

Q. Now, don't you find that the Court in that case also considered the case of the Mogul Steamship Company and McGregor? A. Yes, sir.

Q. And where the word "unlawful" was used that the word "unlawful" in regard to contracts was used there in two senses? A. Yes, sir.

Q. First as a combination? A. Yes, sir.

Q. That would give rise to an action? A. Yes, sir.

Q. That is, unlawful, *per se*? A. Yes, sir.

Q. Second, though not giving rise to an action, yet being such as would receive no countenance from a judicial tribunal? A. I can't say, the rule has changed so.

Q. That is substantially correct, what I said? A. Quite so. You almost got it verbatim there. I don't know whether he said it was only possible.

Q. And furthermore later on, "The Court recognized, did it not, that there might be a case where a Court did not enforce or sanction a contract or combination, which though not directed against any particular person and not being actionable by any particular person yet might injuriously affect the public—affect the community as operating in restraint of trade"? A. My recollection—

5540

Q. That is correct? A. There was some language to that effect.

Q. In other words, the Court takes the broad view on the question of restraint of trade and says every case must be decided on its merits practically? A. In regard to the one question of the enforcement of it between the parties, not in regard to the other question.

Q. And if the public interest is affected that it might give rise to an action by private persons? A. I don't think there is any case that holds that any such action, that is treating it together, and treating it by itself, and taking anything that is not illegal, that would give rise to any action either by a private individual or the Crown in England, and the State here.

5541

Q. Isn't that eliminated on that statement he makes there, if I got it correctly, "Might injuriously affect the public as operating in restraint of trade"? A. And then he said what the effect of that would be. You are speaking of the Master of the Rolls in dealing with the Mogul case?

5542

*Isidore Frederick Hellmuth*

Q. Yes? A. No. "I recognize that the eminent lords who took part in that decision, apparently considered that there might be cases in which the Court would refuse to sanction or enforce a contract or combination, which though not directed against any particular persons or class of persons, not giving rise to any cause of action by a person or persons incidentally injuriously affected, might yet be injurious to the community as operating in restraint of trade."

5543

That is to say, if such an agreement came before the courts they would refuse to interfere at the instance of one member of the combination against the other. But that does not at all, to my mind, touch upon the question, that they—that any private individual or the State, or the Crown in England, could take any action in regard to it. I do not think they could.

5544

Q. Now, in that connection have you considered the case of *Rex against DeBerenger*, 3 M. & S. 67, where it was held to be indictable to conspire by false rumors to raise the price of public government funds upon a particular day to attempt to injure those who might purchase on that day? A. I grant you that at once. Suppose that in this combination—they put out—suppose they did put out or in part of this literature they should publish statements that were untrue in connection with the rivals, that would be an unlawful act under the law of England and would be indictable.

Q. Suppose in this agreement they had a person that should suppress statements that were true by holding back certain advertisements from people, would you consider that to be illegal? A. I assume that is a hypothetical question, because I have article 16 that deals with the matter. If you want to put it in any such manner—

Q. Suppose it is hypothetical? They were to that extent? A. They were not, in giving advertising with

papers that may be true statements about that? You mean that—

Q. Yes? A. I think they were perfectly right in doing that. I don't think you can make a man advertise in a paper he does not like. We have had this question up in Canada on the act there, and we have felt, as I imagine you would feel here, the final way to deal with this matter, I think we have to pass special legislation. That is what we have done, passed special legislation in Canada with regard to certain matters.

Q. On that point, I suppose you are familiar with the Sherman Act? Suppose you had— A. I am not familiar with the Sherman Act.

5546

Q. It prevents persons from engaging in a combination or conspiracy in restraint of trade or engaging in a monopoly in restraint of trade. You have the Sherman Act right there. Suppose you had that act in England, would that make any difference in your opinion in regard to this agreement that a positive act stating such a thing or agreement was indictable? A. Mr. Guiler, I would be very sorry before you and these other learned gentlemen, to express an opinion upon American Law.

Q. I am not asking that? A. I think you asked me to give an opinion as to what the effect of the Sherman Act was.

5547

Q. I want to know. Suppose there was such an act in England?

Mr. Spooner: That is impossible.

Q. Now, under this stage of the case I think it is very practicable. Would that make any difference in your opinion whether this contract was legal or illegal? A. I really don't know as I could—I have never considered that at all. I dislike to give—to go on the record as giving final opinion. I have never



considered the effect of the Sherman Act. I have only considered the effect of the act to ourselves in Canada, which does not render this Agreement "AA" void. I think it would be rather presumptuous of me to attempt to construe the Sherman Act. That is really construing in a round about way the Sherman Act.

Q. No, I think not? A. I think it is. If you asked me what would be the effect of language of that kind used in a statute passed by the English House and Parliament—

5549 Q. Yes? A. I don't know as I could—I wouldn't like—I would have to fight such a thing. I would want to spend considerable time considering it.

Q. You want to be relieved of the duty of answering the question? A. Oh, yes.

5550 Q. Now, do you agree with this language of Lord Ellenborough, on page 72—the case of Rex against DeBerenger, which I stated to you a few minutes ago, in regard to the false rumors to raise the price: "A public mischief is stated as the object of this conspiracy; the conspiracy is by false rumors (*i. e.*, that Napoleon was dead) to raise the price of public funds and securities; and the crime lies in the act of conspiracy and combination to effect that purpose and would have been complete although it had not been pursued to its consequences or the parties had not been able to carry it into effect. The purpose itself is mischievous, it strikes at the price of a vendible commodity in the market, and if it gives it a fictitious price by means of false rumors, it is a fraud levelled at the public for it is against all such as may possibly have anything to do with the funds on that particular day."

Now in a case of that sort would you hold that under the laws of England a person would be indictable?

A. I do. I say if a person put out false rumors, went so far as to say that the Russian-American Line was

incapable of carrying a certain number of passengers when it was, any statement of that kind would be indictable in England, as a false statement.

Q. That is the point in this decision as I understand it. Perhaps you understand it, there was a conspiracy there? A. Yes. I say for those parties to conspire to put out a false statement, then I say it would be indictable.

Q. If there is a conspiracy that was mischievous in its purpose in the prices of a vendible commodity, if the market is raised or lowered as the case may be, in that case the laws of England would hold such action as indictable? A. A statement that might have the effect—

5552

Q. Leave out statement, take conspiracy? A. A conspiracy. A combination of people agreeing to put forth a statement which in itself was true and which had the effect of raising prices would not in my opinion be indictable at all. If it were untrue it would, I think that is—that is not conspiracy to raise prices; that it is indictable, these untrue statements made in the agreement—rather to make untrue statements, to conspire to make untrue statements.

Q. In the aggregate you have little left. It seems to me that is the very purpose of the conspiracy, was to raise the prices—by making false statements—that is the means by which it was done. And then Bayley, J., on page 75—you happen to remember that case? A. I recognize it as you state it there.

5553

Q. Now, is this statement—would you consider it to be the law of England today: "Here then is a conspiracy to effect an illegal end, and not only so but to effect it by illegal means because to raise, the public funds, by illegal means and with a criminal view is an offense"— A. With a criminal view.

Q. (Continuing.) "An offense, perhaps not affecting the public in an equal degree as if it is done with

*Isidore Frederick Hellmuth*

5554

intent to affect the purchases of the commissioners for the redemption of the national debt which would be affecting the public in its aggregate capacity, but still if it is to be completed it will certainly prejudice a large portion of the King's subjects who have occasion to purchase on that day. And it is not necessary to constitute this an offense that it should be prejudicial to the public in its aggregate capacity, but it is enough if it be prejudicial to a class of its subjects." Now, on that last statement there, prejudicial to a class of its subjects, if you found a case where a number of individual corporations or otherwise, got together to raise the prices of certain goods, and certain vendible commodities on the market, to such an extent that the public or class of the public would be injured thereby, would you hold in considering that case, which I have stated to you, that under the law of England those individuals could be indicted? A. If—it would depend, of course, on the facts of the case—it would depend on whether the methods adopted were reasonable, whether the rate perhaps was reasonable, but the mere fact it shut off rivals, so that they had less competition, would not in my judgment—

5555

5556

Q. I was directing your attention to the raising of prices where the only object was, of the conspiracy, was to raise the prices? A. I don't think it would be at all illegal for instance, to raise prices, if the prices that were then obtainable did not permit these people to do business at a profit. I think it would be perfectly legal in England to enter into a combination to raise prices.

Q. I was directing your attention principally to the point that it would be said—that such a combination was conspiracy and injurious to a class of the King's subjects, as stated in this DeBerenger case. Would you say that the law of England today is that such persons could be indicted? A. Well, I really in the

more modern cases would think such an action could hardly rise under any combinations that are now—

Q. I am not saying whether they could arise. I am assuming it has arisen? A. You are not dealing with "AA." I certainly say not with "AA."

Q. I am dealing with the case I have supposed? A. Well, you can certainly have a case in which an indictment will lie, if you ask me. There is no doubt they can take illegal means, such outrageous things to shock the conscience in every way, no doubt an indictment would lie.

Q. You state, in such a case as I have mentioned there, a certain class of the King's subjects and the injury— A. You see how dangerous it is to say yes. Take the Cade case, a number of the King's subjects could not buy mineral water without paying as they thought an excessive price for that. The Courts hold it is not illegal.

5558

Q. Would you answer the question and state whether that is the law of England as I stated it to you? A. I think, if it came before such a Court as the Court of Appeals, or the House of Lords, there would be considerable qualification and expression in regard to it. By the more recent decisions—

Q. You would then come down to this. You would have to have all the facts before you before you could answer the question? A. That is a fair way of putting it. I don't want to be saying anything except that is a very fair way of putting it.

5559

Q. Now in that Maxim Nordenfelt case, the Court held there, did it not, that the Court would there consider, would they not, a contract between the two parties? A. Yes, sir.

Q. There wasn't any question of conspiracy or anything of that sort? A. No, sir.

Q. But they held there, didn't they, that all restraints were bad—that is Lord Macnaghten's decision—all restraints were bad—

Mr. Spooner: What, the restraint of trade?

Q. The restraint of trade, that there was a defense on the ground that such a restraint was reasonable and could be proved to be reasonable, then it would not be a restraint of trade; that would be a good defense to it and he also said, didn't he as follows—I won't quote it—simply said that there are two things which have to be considered in every such case; that is, the interest of the contracting parties themselves, and the interest of the public— A. I would only think it would be more or less the interest of the contracting parties in regard to the enforcement of it. I think the case you state is one in which the public did not come in at all. It was the question of contract between two people. When the Courts were asked to enforce it, they said in that case, as they said in all cases of that character, we must look to see generally if there is any restraint, and if it is illegal we won't enforce it. We look at it in these cases to see whether it is reasonable. If it is reasonable we will actually enforce it between the parties.

Q. I read you as follows in that case, and ask you if it does not represent a law of today on the question: "It is a sufficient justification, and indeed it is the only justification if the restriction is reasonable—reasonable, that is in reference to the interests of the parties concerned and reasonable in reference to the interests of the public so framed and so guarded as to afford adequate protection to the party in whose favor it is imposed while at the same time it is in no way injurious to the public. That I think is a fair result of all the authorities."

Now, that is Lord Macnaghten's statement. I suppose you agree with him? A. I would. I would apply the case as he was applying it. He was deciding a case between two parties, he was seeing whether he would or not enforce a contract between those two

parties. In that sense, I quite agree with the statement.

Mr. Guiler: I think that is all.

*RE-DIRECT EXAMINATION by Mr. Spooner:*

Q. Is that a fair statement, conclusion (handing paper to witness)? A. Yes, I think that is quite correct.

Q. Read it? A. "Agreement AA is not contrary to the law of England or Canada, and the decisions of the Courts of England indicate that one party to such an agreement could enforce it as against the other. But it is clear that under the law of England one party to such an agreement could enforce it against the other party, if it was shown the agreement was reasonable." If it is shown the agreement is reasonable, there is no doubt about that. There are some decisions—I have not attempted to go through them all.

5564

*RE-CROSS EXAMINATION by Mr. Guiler:*

Q. In regard to the statement the Senator just read to you. You would, however, like to have before you all the facts stating or showing the way in which the agreement "AA" was carried out before making up the final decision of the whole case?

5565

Mr. Spooner: He has not testified to that. We have called him as to the agreement, the validity of the agreement. He stated at the outset that his testimony would have no relation to the manner in which it was carried out.

A. What you say in reference to the enforcement of it would certainly depend on the reasonable manner in which it was carried out. There is no doubt about it. That, I don't know anything about.

5566

*Isidore Frederick Hellmuth*

Q. You merely gave your statement of the law as you understand it in regard to the agreement without knowing how it is being carried out? A. I do not know how it is carried out.

Q. With the qualifications you stated that is so?

A. Yes.

Mr. Guiler: I would like to have the statement on the record whether the defendants rest as to their testimony. Of course, there may be one or two exhibits you want to put in.

Mr. Spooner: I can't tell about that—

5567

Mr. Guiler: I was going to make an application to the Court to finish this thing up but understanding that you were going to finish your case up, finish it up today, the testimony, I did not do that.

Mr. Spooner: He is my last witness as far as I can tell now.

Mr. Guiler: Have you any objection to saying the testimony is closed?

Mr. Spooner: I can't say that.

Hearing adjourned to Monday, April 14th, 1913, at eleven o'clock A. M.

5568

The defendants' attorneys will meet before the end of the week and notify Mr. Guiler as to whether the testimony is closed or not.

## UNITED STATES DISTRICT COURT,

5569

SOUTHERN DISTRICT OF NEW YORK.

THE UNITED STATES OF AMERICA,  
 Petitioner,  
 against

HAMBURG - AMERIKANISCHE  
 PACKETFAHRT-ACTIEN-GESELL-  
 SCHAFT, and others,  
 Defendants.

Before: Charles E. Pickett, Esq., Examiner.

5570

New York, April 14, 1913.

Hearing resumed pursuant to adjournment.

Appearances:

Goldthwaite H. Dorr, Esq., Henry A. Guiler, Esq.,  
 for the Petitioner.

Messrs. Burlingham, Montgomery & Beecher, by  
 Charles Burlingham, Esq., for the Anchor Line, Ltd.,  
*et al.*

Messrs. Choate & Larocque, by Nelson Shipman,  
 Esq., for the Norddeutscher Lloyd, *et al.*

Messrs. Spooner & Cotton, by J. C. Spooner, Esq., 5571  
 for the Allan Line, *et al.*

Messrs. Lord, Day & Lord, by Lucius H. Beers,  
 Esq., and Allan B. A. Bradley, Esq., for the Cunard  
 Line, *et al.*

Ralph J. M. Bullowa, Esq., for the Russian East  
 Asiatic Company, *et al.*

Mr. Shipman: I would like to have it noted  
 on the record that the defendant Gustav  
 Schwab died November 13th, 1912.



5572

Mr. Spooner: I offer in evidence statement of dividends declared out of earnings of the Hamburg-American Line during the years beginning 1847 and ending with 1912, covering its American and all other services, comprising sixty services; including the earnings of all its ships engaged in the different commerce throughout the world.

Marked Defendants' Exhibit #24.

Senator Spooner: I herewith offer all Peters' letters and parts of letters which have not been offered by Mr. Guiler to be numbered as Defendants' Exhibits No. 25, etc.

5578

Petitioner and defendants waive signature to the testimony of the witnesses.

DEFENDANTS REST.

PETITIONER RESTS.

Hearing adjourned to Wednesday, April 23rd, 1913, at 11 o'clock A. M., for the purpose of correcting testimony.

5574

## UNITED STATES DISTRICT COURT,

5575

SOUTHERN DISTRICT OF NEW YORK.

---

THE UNITED STATES OF AMERICA,  
Petitioner,  
against

HAMBURG - AMERIKANISCHE  
PACKETFAHRT-ACTIEN-GESELL-  
SCHAFT, and others,  
Defendants.

---

Before: Charles E. Pickett, Esq., Examiner.

5576

New York, April 23rd, 1913.

Upon consent hearing adjourned to Monday, April  
28th, 1913, at 11 o'clock A. M.

---

New York, April 28th, 1913.

Hearing adjourned without date.

5577